



Daily Report

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Daily Report

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General

Spokesmen Comment on Nuclear Weapons Treaty

Foreign Ministry Cites Sanctions

OW2012092491 Beijing Central People's Radio
in Mandarin to Taiwan 2200 GMT 19 Dec 91

[From the "News and Current Events" program]

[Text] A reporter has asked: During the talks between the Indian foreign minister and Foreign Minister Qian Qichen last week, India demanded that China cease exporting M-9 missiles to Pakistan. How did the Chinese respond to the demand?

[PRC Foreign Ministry Spokesman Wu Jianmin] [begin recording] During the U.S. Secretary of State's visit to China, the Chinese and U.S. sides discussed weapons proliferation. If the United States lifts the three sanctions against China announced on 16 June 1991, the Chinese side is prepared to observe the criterion and parameters on guided missiles and their technological control systems. [end recording]

NPC 'Optimistic' on Approval

HK2012072491 Hong Kong AFP in English 0624 GMT
20 Dec 91

[Text] Beijing, Dec 20 (AFP)—Members of the Chinese parliament oppose parts of the nuclear Non-Proliferation Treaty (NPT), but their spokesman said Friday [20 December] he was optimistic it would be accepted at a session beginning next week.

Zhou Chengkui, spokesman for the National People's Congress (NPC), told reporters that "some people still think that there are still some shortcomings with regards to the NPT." He did not elaborate.

However, Zhou added, "I'm very optimistic about it this time." The NPC standing committee discussed China's accession to the NPT at its last session in October, and would do so again at a seven-day session starting Monday.

China announced in August that it would adhere to the NPT, making it the last state officially admitting to have nuclear weapons to agree to sign the treaty.

Zhou said that the NPC standing committee members were "in favor of the three major objectives carried in this treaty, namely preventing nuclear proliferation, promoting nuclear disarmament and encouraging international cooperation on peaceful utilization of nuclear energy."

The spokesman attributed the failure at the last session to vote on joining the NPT to "the fact that there were too many items to discuss."

"The deputies at the standing committee had not enough time to read thoroughly the text concerning the treaty. So I don't think we can force them to raise their hand to say yes to the treaty," he said.

If passed by the standing committee, the issue would be brought before the next full session of the NPC, scheduled in March, for formal approval, which is almost certain.

WIPO Head Lauds Intellectual Property Stance

HK2012033691 Beijing RENMIN RIBAO in Chinese
16 Dec 91 p 4

[By Guo Zhuanxuan (0948 1413 1357, literally meaning "state special propaganda"): "In Telegram Message to Song Jian, World Intellectual Property Organization Director General Says China's Intellectual Property Undertakings Are Sound and Thriving"]

[Text] China's intellectual property undertakings are very sound and thriving and are continuing to move ahead with full vitality. This comment on China's intellectual property undertakings was made by Dr. Bogoch, director general of the World Intellectual Property Organization [WIPO], in his telegram message to Song Ping, state councillor, minister of the State Science and Technology Commission, and head of the State Council leading group for intellectual property.

Dr. Bogoch expressed in his message his heartfelt gratitude for the warm and friendly reception he had been given during his visit to Beijing last month. He said: Since my first visit to China in 1979, over a short space of a few years, China has joined the advanced countries around the world in the field of intellectual property. Recently, China founded a State Council leading group for intellectual property, which demonstrates the Chinese Government's close attention to the protection of intellectual property. He also said that his discussion with the Chinese leaders in the field of intellectual property on relevant affairs during his visit had been fruitful. He reiterated that the WIPO is willing to further its close and cordial cooperative relations with China.

PLO Chairman Yasir 'Arafat Visits North Korea

Greeted by PRC Ambassador

OW2012005391 Beijing XINHUA Domestic Service
in Chinese 0509 GMT 19 Dec 91

[Text] Pyongyang, 19 December (XINHUA)—At the invitation of President Kim Il-sung of the Democratic People's Republic of Korea, President 'Arafat of the state of Palestine this morning arrived in Pyongyang by a special plane to start his official visit to Korea.

Vice President Yi Chong-ok and Vice Premier and Foreign Minister Kim Yong-nam were on hand to welcome President 'Arafat at the airport. Chinese Ambassador to Korea Zheng Yi as well as envoys of various countries also went to the airport to greet him.

When 'Arafat arrived at the Sunan Airport in Pyongyang, he was greeted by thousands of Pyongyang residents.

Today, various newspapers in Pyongyang carried editorials to warmly welcome the visit by 'Arafat. An editorial carried by "Nodong Sinmun" says: The just struggle of the Palestinian people is receiving active support from the broad masses of people throughout the world.

Kim Il-song Hosts Banquet

OW2012024691 Beijing XINHUA Domestic Service in Chinese 1714 GMT 19 Dec 91

[Text] Pyongyang, 19 December (XINHUA)—Korean President Kim Il-song gave a banquet this evening in honor of 'Arafat, president of the state of Palestine who was visiting here.

In his speech at the banquet, President Kim Il-song said: The Middle East issue is one of the issues in the international political arena which calls for an urgent settlement. To settle this issue fairly and peacefully, Israel must withdraw from its occupied Arab territories and restore the right of self-determination to the Palestinian people, including their right to have their own state.

He said: We hope that the Middle East Peace Conference will contribute to the independence of the Palestinian people and the fair settlement of the Middle East issue.

Kim Il-song said: He exchanged views with 'Arafat on the issue of common concern, international issues, and the question of developing relations between the two countries and enhancing mutual understanding and trust. The Korean people will, as always, support the Palestinian people's just struggle.

Touching on the Korean issue, Kim Il-song said: At the fifth North-South high-level talks, an "Agreement on Reconciliation, Nonaggression, Cooperation, and Exchange between the North and the South" was signed. This is a result of the consistent efforts of the Korean party and Government, and it represents tremendous progress on the road to realizing Korea's peace and reunification.

'Arafat said in his speech: The foundation of the peace process in the Middle East is territory for peace, implementation of UN resolutions, recognition of the right of the Palestinian people as a nation, and assurance of the security of all countries in the Middle East.

He pointed out: The Palestinian people hope for lasting peace. We must achieve peace and stability on the basis of justice and fairness.

He said: The Palestinian people, fighters, and revolutionaries support the Korean people's just struggle for the independence and peaceful reunification of the Korean peninsula.

According to a KCNA report, Kim Il-song and 'Arafat held talks in Pyongyang today.

Article Views Missile Proliferation, Control

OW2012022691 Beijing BEIJING REVIEW in English No 48, 2-8 Dec 91 pp 8-11

[Article by Bu Ran: "Missiles: Proliferation and Control"]

[Text] With the lessening of military confrontation between the United States and the Soviet Union, and with regional security becoming an outstanding issue, the proliferation of missiles has aroused fresh concern in the international arena of arms control.

In July, the five permanent members of the Security Council of the United Nations, at a meeting in Paris on arms control, agreed that they would support a freezing and eventually a total ban on ground-to-ground missiles in the Middle East as one of the steps to justly, reasonably, comprehensively and equitably prevent proliferation of nuclear weapons.

In October, the five countries reaffirmed in London that they would adopt effective measures to deal with the threat to peace, security and stability posed by the proliferation of nuclear, biochemical weapons and missiles. They also pledged to exchange information on weapons sales to the Middle East.

These two meetings have played a positive role in promoting international peace, security and stability and are wielding an important influence on the establishment of a just, comprehensive and reasonable international mechanism on non-proliferation of weapons.

Over the past half century, more than 30 countries have developed ballistic missiles, which have increased to more than 30 types.

Who Is to Blame?

This proliferation is, first of all, the result of contention between the superpowers. The United States and the Soviet Union are the first countries to proliferate missile technology and missiles worldwide. In the late 1950s and early 1960s, when the North Atlantic Treaty Organization and the Warsaw Pact were locked in fierce military confrontation, Washington and Moscow began deploying missiles on the territory of and providing missile technology to their respective allied countries in Europe. In their struggle for sphere of influence in the Middle East, the two superpowers dumped large numbers of missiles to the region, creating a momentum of missile proliferation. During the Iran-Iraq war and the Gulf war, most of the missiles and technologies used by the warring factions came from the two countries.

A direct factor contributing to the spread of missiles to the Middle East and South Asia is a jingoistic policy to seek regional military superiority pursued by certain countries or governments in the regions. In the 1960s, Israel developed and deployed the Jericho missiles and introduced U.S.-made Lance missiles. This act provoked neighbouring Arab countries to introduce large numbers of Frog and Scud missiles from the Soviet Union, thus throwing the region into a missile race.

It is worth noting that certain governments that seek regional dominance link their missile development programme to the development of nuclear weapons. These governments developed and introduced missiles that are capable of carrying nuclear weapons, refused to commit themselves to the international nuclear non-proliferation mechanism and opposed the establishment of nuclear-free zones in their regions. These facts indicate that they are not ready to abandon their attempt to seek regional hegemony by developing nuclear missiles.

The lack of a comprehensive, just and effective nonproliferation mechanism is another factor responsible for the spread of missile technology. In the 1980s, the West accused developing countries of possessing missiles and developing missile technology. After private consultations, a Missile Technology Control Regime was reached on April 16, 1987 among the United States, Canada, Britain, France, Germany, Italy and Japan at the suggestion of Washington. The document strictly restricts transfer of missiles with a range of over 300 km and an effective load of over 500 kg, as well as related technologies, equipment and parts, to non-member countries. At present the group has 16 members, none of which is a developing nation.

The measures contained in the document for control of missile transfer are designed to safeguard unilaterally the security and interests of Western nations. Developing countries are denied the access to aeronautical and aerospace high technology. Furthermore, the group has so far failed to provide a just and effective supervision and verification mechanism. The spread of missiles and missile technology by arms merchants in the member states is usually permitted by business authorities in those countries. Regions haunted by conflicts, actual or potential, are still regarded as markets promising huge profits for them.

Impact

The impact of missile proliferation, on the one hand, should not be exaggerated. In fact, missile weapons systems occupy a very small place, compared with combat air crafts, in the arsenals of most countries, in particular developing countries, and are by no means the backbone of their military force. Some countries develop missiles to consolidate their self-defence capability, with no specific targets to deter. Missiles played a very limited military role in past regional conflicts.

In order to counterbalance acts of missile proliferation by superpowers or governments that pursue regional

hegemony, transfer of missiles with conditions attached has been made to threatened parties in certain areas. Although this transfer is only a countermeasure in the absence of a comprehensive, just and effective mechanism for non-proliferation of missiles, it has, to an extent, served to maintain regional military balance and stabilize the situation.

On the other hand, the impact is not to be underestimated, because the spread of missiles can, under certain circumstances, incite a new round of regional arms race.

Compared with long-range vehicles such as airplanes, missiles are better at breaking air defence. Currently, most third world countries are unable to erect an effective missile defence system. Even Israel that boasts advanced military technology and has a small geographic space to control has very limited capability to resist missiles. This makes missiles a relatively outstanding weapon. The absence of defensive missile technology makes the acquisition of offensive weapons attractive. The attempt to maintain missile deterrents has led to numerous rounds of arms race in regions fraught with armed conflicts. Missiles also created the tragedy of targeting cities during the Iran-Iraq war, in which thousands of people were killed in missile attacks.

Missile proliferation can also lead to a spread of nuclear and chemical weapons.

Missiles are one of the most effective delivery systems for nuclear weapons or chemical weapons. At present, apart from those nuclear weapons-capable countries that are developing missiles, some countries with chemical weapons have already possessed missiles or are in the process of developing them. Since chemical weapons are easily produced, they are considered by certain countries to be "atom bombs of the poor people." Now there is a possibility that more countries may make a breakthrough in missile technology. If these countries gain crucial technologies and enhance missile precision, this could result in greater military threat.

During the war between Iran and Iraq, the two countries engaged in missile and chemical warfare. However, during the war between Iran and Iraq, the two countries engaged in missile and chemical warfare. However, missile and chemical weapons were not simultaneously used in the battlefields. If the proliferation of missiles continues to expand, it is not guaranteed that they will not be used to deliver chemical weapons in future military conflicts.

Furthermore, missile proliferation will hinder regional peace process.

The greatest proliferation of missiles is found in "hot spots" where the situation is turbulent, such as areas of ethnic and international conflicts. The countries in these regions are sensitive to the new military capabilities of their adversaries. If one party to a conflict manufactures or imports missile weapons, the other party may be persuaded to follow suit, and their arms race may cause

fresh tensions in their region. Israel's missile programme has elicited a series of reactions from the Arab countries in the Middle East. India tested its medium-range missile Fire in May 2 1989, causing anxiety to its neighbouring countries. These circumstances have prevented efforts by the international community to promote regional peace.

The Mideast peace process is now at a crucial stage. To halt missile proliferation in the Middle East so as to promote peace in the region is a matter of extreme concern to the international community.

Preventive Measures

Measures taken against missile proliferation by the West have produced limited results, because they have been formulated to protect the unilateral interests of the Western countries. They failed to give serious consideration to the rights and interests of third world countries. If good and sustaining results are to be achieved, the only effective measure to prevent missile proliferation is to adopt a comprehensive, fair and reasonable policy. The initiatives adopted at the Paris and London conferences attended by the five permanent members of the UN Security Council reflect the international community's effort towards this end. Generally speaking, the right way is to work out both global and regional measures.

1. The measures should be linked to the establishment of a comprehensive, fair and reasonable regime of non-proliferation of weapons.

Neither the countries supplying or receiving missile technology should be excluded from the process of preventing missile proliferation. That the Nuclear Non-proliferation Treaty is open for related countries to sign has a reference significance. The measures against proliferation of missile technology should not prevent third world countries from gaining technology for aviation and peaceful use of outer space. Control over such technologies as can be used for both military and civil purposes should be reasonable and feasible. And a fair and effective verification mechanism should be set up and should be combined with sanction measures. To limit transfer of missiles but not limit the transfer of other offensive weapons are biased. For third world countries which lack effective air defence capabilities, the threat from offensive weapons like fighter bombers is greater than that from missiles.

Guidelines should be established and observed by arms suppliers and recipients. Weapons transfers should help increase the defence capability of recipient countries and avoid aggravating regional armed conflicts. Countries should not interfere in the internal affairs of sovereign states through weapons transfer or prevent other countries from developing technology in the name of anti-nuclear proliferation. These guidelines embody the spirit of the Charter of the United Nations and are reflected in the Guidelines for Conventional Arms Transfers adopted by the five permanent members of the UN Security Council at their London conference.

2. They should be linked to comprehensive, fair and reasonable disarmament measures.

If the transparency of missile transfers and control measures do not connect with disarmament measures, their significance will be very limited. A substantial drop in the sales of tanks, armoured cars, planes and cannons, especially high-tech, precision and advanced weapons to the Middle East will help maintain a lower level of balance of arms, freeze and ultimately destroy all ground-to-ground missiles in the region. The Paris communique issued by the five permanent members of the UN Security Council pointed out that to establish a zone free of weapons of mass destruction is a positive proposal. The communique issued at the London conference said the five countries agreed to continue to discuss the possibility of lowering arms levels and support regional and global efforts for arms control and disarmament. The five nations should strive to limit and gradually reduce the transfer of offensive weapons to the Middle East. If necessary, they could consider setting quotas for related weapons transfer in order to promote arms control. The United States and the Soviet Union, as the two largest arms exporting countries, share special responsibility for large-scale reductions of transfers of offensive weapons to the Middle East and the lowering of the arms level in the region.

3. They should be linked to the comprehensive, fair and reasonable settlement of regional conflicts.

The resolution of regional conflicts and creation of a secure environment are fundamental measures to prevent missile proliferation. If measures are adopted to limit only missile transfers, they may stimulate some countries to make greater efforts to acquire missile technology and accelerate the development of missile weapons systems. Regional conflicts occur for various reasons. The measures to prevent missile proliferation should be in accord with the specific situation in a region, go with the peace process of settling the regional conflicts and be carried out step by step. There is an important connection between measures to prevent missile proliferation at the global and regional levels. The measures to prevent the proliferation in one region can provide reference for others. However, it often does not work to apply the measures of one region to other regions. To work out comprehensive, fair and reasonable measures to prevent proliferation, regional arms control and anti-proliferation conferences, to be attended by the countries in the region on the basis of equality and with the active participation of the United Nations or other related organizations, may be held at a proper time.

'Year-Enders' Views Post-Gulf War Middle East

OW2012061191 Beijing XINHUA Domestic Service
in Chinese 2134 GMT 17 Dec 91

["Year-Enders" by reporter Gao Qiufu (7559 4428 4395):
"Trend of Post-Gulf War Mideast Situation"]

[Text] Cairo, 18 December (XINHUA)—Over the past year, developments in the Middle East caught the world's attention. The Gulf war at the beginning of the year was followed by the Arab-Israeli peace talks at the end of the year; this transformation from war to reconciliation is somewhat dramatic.

On the whole, tension in the Middle East is easing, and the situation in the region is moving from confrontation to peace. The January Gulf war peaked the intensity of various internal and external conflicts in the Middle East. The war saw the defeat of Iraq, a country which had tried to dominate the region. The United States wasted no time in organizing the Middle East peace conference in October and brokered the continuation of the Arab-Israeli bilateral talks in December. Even though the talks have not achieved any concrete results, for the Arabs and Israelis—who have resorted to armed conflict on five occasions in the last four decades—to agree to sit together for talks is in itself an extraordinary event. It signifies that the Arab-Israeli conflict, which forms the core of the Middle East issue, is heading toward a peaceful solution. Heartening developments in the Middle East during the course of the year also include: Lebanon ended its 16-year internal war and began to rebuild the nation; although the Cyprus problem was not resolved, the UN is still carrying out its mediation efforts; the Western Sahara conflict, which has been plaguing North Africa, has reached a cease-fire and began to show signs of reconciliation; and some 10 Western hostages held in the Middle East have been successively released, bringing the hostage crisis—which lasted seven to eight years—very close to an end. These events demonstrate how all the major conflicts in the Middle East are progressing toward political settlement in varying degrees.

Another Mideast trend is that various political forces have undergone disintegration and realignment. Changes in the Soviet Union shook many Arab nations, and the Gulf war further worsened the split in the Arab world. Through repeated post-war efforts, Arab unity has been restored somewhat; however, the rift will not be closed completely for some time. Iraq has collapsed after a single setback; the Palestinian Liberation Organization (PLO) is in a difficult situation, and Jordan, Yemen, and other nations are waging difficult struggles in adverse situations. Egypt is striving to attain the position of "the leader of the Arab League," Syria is readjusting its policy, and Saudi Arabia's economic strength is still an influential force. On the whole, the Arab moderates have been at an advantage since the war, but the fundamentalists have also gained strength in certain nations. The Middle East is the world's arms market and gunpowder warehouse. Since the Gulf war, relevant nations have repeatedly called for arms reductions in the region, but amounts of armament continued to increase after the war instead of reducing. All these factors indicate that the Middle East region has yet to shed the effects of the Gulf war.

The third significant trend in the Middle East is that, while the Soviet Union has been preoccupied with its domestic affairs and hence unable to accomplish anything substantial, the United States' influence has further strengthened and its leading role in the region's affairs has been further enhanced. The legality and permanency of the U.S. military presence in the Gulf region, coupled with the use of tactics which include writing off debts, resuming economic aid, and making military threats, have fortified its political ties with certain Arab nations and have served to coerce other Arab nations into compliance. The strategic position of Israel has been reduced, and the United States is now moving away from its past bias toward Israel to gradually seek to strike a balance between the Arabs and Israel. The United States and Israel have had frequent disputes. At present, the United States is making use of the post-Gulf war opportunity to apply both incentives and pressure to solve the Arab-Israeli conflict, and in a larger context, to safeguard its strategic interest in the Middle East. Although the United States has been successful in the war and its use of dual tactics, it also has cause for worries. Western European nations have expressed veiled criticism over the manner in which the United States appropriated power to itself to act. Anti-American feeling is also growing stealthily in the Arab world.

The Middle East region is one of the world's converging points of various conflicts, encompassing political, military, economic, racial, and religious problems in an intricate fashion. In the last year, neither war nor peace talks has been able to, or has made it possible to, totally solve these conflicts and problems. As a result, tensions and unstable elements persist amid the general trend of conciliation.

'Roundup' Sees Lack of Progress in Mideast Talks

OW1912043391 Beijing XINHUA in English
0329 GMT 19 Dec 91

["Roundup: First Round of Mideast Peace Talks Break Up"—XINHUA headline]

[Text] Washington, December 18 (XINHUA)—The first round of the second-phase Middle East peace talks broke off today without any progress in resolving procedural and long-standing disputes between Israeli and Arab delegates.

The break-off followed the Israeli delegates announcement that they were heading home tonight. The Arabs all said they were willing to stay longer but Israel insisted it had to return home for consultations.

After 30 hours of talks in six days of the past two weeks, Hanan Ashrawi, spokeswoman for the Palestinian delegation, said at today's news conference "we came to engage. They came to delay and play tricks."

The Israeli, Palestinian and Jordanian delegates had been huddling in a State Department corridor for six

days in an effort to overcome the dispute about how many rooms to negotiate in and in what format.

The Palestinians, intent on showing their independence, wanted to meet the Israelis separately from the Jordanians.

But Israel, which rejected Palestinian independence, wanted to subsume the delegation within the joint framework of Jordanian-Palestinian umbrella.

The key issues—Israel's promises of autonomy for Palestinians in the occupied territories and Palestinian hopes for eventual statehood—were never broached.

"I thought we went to the rock bottom of all the compromises we could make," said 'Abd-al-Salam al-Majali, leader of the Jordanian delegation.

However, Elyakim Rubinstein, Israel's chief negotiator with the Jordanians and Palestinians, said "it is a pity but nevertheless we did not waste time here," citing the human contact made between the sides.

The United States invited the participants to open the talks on December 4, but the Israelis didn't show up. They said they needed more time for preparations and were upset with Washington for arbitrarily setting the date. The talks were postponed to December 10.

In the Israeli-Syrian negotiating front, Syria demanded the return of the Golan Heights captured by Israel during the 1967 Middle East war.

Israel insisted that it must first have guarantees of peace and security.

Muwaffaq al-'Allaf, leader of the Syrian delegation, blamed the Israelis for what he said was the total lack of mentioning the withdrawal from the Golan Heights.

"After six meetings we were not able to tell you, or the world, we have secured even one step forward."

In the most low-key of the three talks, little progress was made in the Israeli-Lebanese talks.

Lebanon wanted Israel to leave a buffer zone in southern Lebanon occupied by the Israeli military and its allies.

Israel wanted security guarantees and the departure of Syrian troops from Lebanon.

The Israelis are leaving Washington for home at 11 p.m. (local time) tonight, but they agreed with the Palestinians and Jordanians to resume the talks on January 7.

Syrian delegation leader Allaf said the Syrians also suggested a January 7 return to the negotiating table, but Israel wanted it after January 13.

As for venue, he said, Syria insisted on Washington, and "they did not refuse completely the idea of coming back to Washington, which is something good."

Israel wanted to change the venue to the Middle East region, but may have to give in the Arab demands that the talks stay in Washington.

'Analysis' Reviews Baker Visit to Soviet Union

HK1812120791 Beijing RENMIN RIBAO
in Chinese 17 Dec 91 p 6

["News analysis" by staff reporter Zhang Qixin (1728 0796 2500): "Why Baker Visits Soviet Union"]

[Text] Washington, 15 Dec (RENMIN RIBAO)—U.S. Secretary of State James Baker began a visit to the Soviet Union on 15 December. He planned to visit in Moscow, Kiev, Minsk, and Alma-Ata and to meet separately with Gorbachev and leaders of such republics as Russia, the Ukraine, Belarus, and Kazakhstan. Baker's visit was conducted against the background of the drastic changes in the Soviet Union's political situation in the last two weeks. His mission and activities were extraordinary.

According to official statements and the comments of the mass media in the United States, Baker's current Soviet trip will focus on three issues, namely, stressing the need to put the Soviet Union's huge nuclear arsenal under reliable centralized control; viewing ways to give "humanitarian assistance" to the Soviet Union; and reiterating the U.S. hope that Soviet reforms will go on peacefully and that the state of affairs will be in line with the interests of the United States and the Western world.

The issue of the safety of Soviet nuclear weapons is one which the United States is most deeply concerned about. The Soviet Union now has 27,000 warheads of all kinds. Its strategic nuclear weapons are mainly deployed in the four republics of Russia, the Ukraine, Belarus, and Kazakhstan, and its tactical nuclear weapons are more widely deployed. At present, as the power of the union's central organs is weakening and the power of various sovereign republics is increasing, the nuclear weapons are likely to become "out of control." The United States holds that safe control of nuclear weapons is a major issue concerning "U.S. national security" and indicates that it does not want to see the appearance of any "new nuclear state" in the Soviet Union and does not want to see nuclear weapons, nuclear technology, or nuclear personnel spread to other countries because of loose control. Baker's current visit will continue to seek new guarantees from various sides of the Soviet Union. For example, he may require the republics where nuclear weapons are deployed to destroy the nuclear weapons on the spot or to set up a "unified command and control" system to ensure that the Soviet nuclear weapons will obtain the "greatest possible security guarantees."

Concerning economic assistance, the United States is now mainly giving humanitarian assistance to the Soviet Union and various republics to help them tide over the winter shortage of food and medicine. On 12 December, Baker said that the United States and other Western nations must offer such assistance; otherwise, "the shortage may lead to turmoil or even civil war," which in

turn will encumber the West. Recently, the United States announced that it would airlift relief materials to Moscow, St. Petersburg, and other cities. At the same time, it is also preparing an international coordination meeting to be held next January to be attended by major Western nations and Arab oil-producing nations so that they will share the mission of offering assistance to the Soviet Union. During his visit to the Soviet Union, Baker will discuss this issue with various sides, and will propose the establishment of a supervisory system for the distribution of relief materials.

The United States holds that the Soviet Union's disintegration will bring about both "opportunities" and "dangers" for the West. One of the dangers is that prolonged turmoil and nationality contradictions in the Soviet Union may give rise to a civil war like that in Yugoslavia, thus threatening Western interests. Therefore, the United States repeatedly stated that changes in the Soviet Union must be made peacefully. This time, before Baker set off to visit the Soviet Union, he said at a news conference that the United States will not be involved in the ongoing "political process" in the Soviet Union, but he stressed that the United States will support any Soviet Union "reformists" who uphold the "democratic system" and the "market economy" no matter whether they are from republic or central union organs. THE NEW YORK TIMES said that this U.S. principle showed that before the "power struggle" in the Soviet Union reaches a decisive conclusion, the United States will not recognize the commonwealth of independent states or discard Gorbachev.

In the past year, as the Soviet political situation underwent major turbulence during the August putsch and the recent changes, U.S.-Soviet relations have always been changeable and uncertain. The United States has not yet formed a "certain blueprint" for its Soviet policy. To a large extent, Baker's Soviet trip is an urgent diplomatic action to solve the problems in reality.

Commentary Views Asia-Pacific Cooperation Meeting

HK2012053391 Beijing LIAOWANG in Chinese
No 47, 25 Nov 91 p 43

["International Commentary" from Seoul by LIAOWANG special correspondent Ying Qian (2019 6197): "Seoul Conference and Prospects of Asia-Pacific Economic Cooperation"]

[Text] The third ministerial meeting of the Asia-Pacific Economic Cooperation [APEC] was held in Seoul from 12 to 14 November. The meeting emphasized the discussion of questions of common concern to all participating sides, including the world's and the region's economic trends and questions, the process of the Uruguay Round multilateral trade talks, and promoting regional free trade. The meeting adopted the "APEC Seoul Declaration" (also called the "Seoul Declaration"). Moreover, it issued a declaration calling on relevant sides to make joint efforts to strive to end the

Uruguay Round trade talks before the end of the year and to reach a basket of agreements.

The meeting was held in the context of the facts that the world's economic environment is frequently changing, the Uruguay Round trade talks are proceeding slowly, the large EC market is to be established in 1992, and the United States, Canada, and Mexico are to set up a North American Free Trade Zone. Therefore, maintaining and strengthening the economic vitality of the Asia-Pacific Region and effectively resisting or reducing the impact and negative influence of world economic recession on the region is not only in the interests of APEC member states themselves but also a common need. This time, the 15 member states and regions sent large delegations to attend the Seoul meeting. Of the 360 or more representatives, 26 were foreign and finance ministers. Therefore, we see that all participating sides attached importance to the meeting.

The PRC, China Taipei, and Hong Kong participated in the APEC meeting for the first time. Participants in the meeting said that the meeting was of historical significance to the development process of economic cooperation in the Asia-Pacific region, and that it would become a regional body for economic cooperation in the Asia-Pacific region that really possesses completeness and authority.

The APEC meeting is the APEC forum. Originally, it had 12 members comprising Australia, Brunei, Canada, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and the United States. Since China, China Taipei, and Hong Kong joined the Seoul Meeting, its membership has increased to 15. The first APEC ministerial meeting was proposed by Australia and held in Canberra in July 1989. The second ministerial meeting was held in Singapore last July.

The APEC meetings aim to encourage free trade and promote economic, trade, investment, and technological cooperation in the Asia-Pacific region. The Seoul Meeting sought to consolidate the results of Asia-Pacific economic cooperation over the past two years. On this foundation, it develops and strengthens the cooperative capability between member states and regions. The declaration issued at the meeting specifies the APEC's objectives, guiding principles, scope of activities, and modes of cooperation, thus defining the direction for future economic cooperation in the Asia-Pacific region.

The Seoul Declaration provided that an APEC ministerial meeting be held annually in which all member states and regions would discuss and confirm the principles and nature of economic cooperative activities in the Asia-Pacific region, formulate and implement measures, and then have them carried out by the meeting of senior officials consisting of representatives of all member states and regions.

The Seoul meeting did not make any decision as to whether a standing APEC organization would be set up.

Many member states proposed continually maintaining APEC as an informal advisory organization which would play the role of discussion and negotiation. Some clearly pointed out that APEC should take the lead in upholding openness and resisting exclusive tendencies in the global context and that it should complement with various other regional or subregional mechanisms for Asia-Pacific economic cooperation so that they will jointly promote economic development and prosperity in the Asia-Pacific region.

Participants in the meeting generally maintained that at a time when the current international situation is frequently changing and when global economic growth is sluggish and lacks strength for picking up, what is heartening is that the Asia-Pacific region still maintains notable trends of political stability and economic growth, that economic, trade, and technological contacts between various Asia-Pacific states and economic bodies are getting closer daily, and that regional cooperation is continually developing. This shows that in the world today where opportunity and risk coexist, the Asia-Pacific region is still promising.

We believe that if all APEC members initiate economic cooperative activities in keeping with the principles of mutually beneficial and open dialogue and of reaching consensus through negotiation, as specified in the Seoul Declaration, people will have reason to be optimistic about the prospects of Asia-Pacific economic cooperation, namely maintaining and consolidating the economic vitality of the region, promoting the prosperity, stability, and development of the entire region.

United States

Economist Affirms Intellectual Property Protection

HK2012042191 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1216 GMT 19 Dec 91

[By reporter Lin Hua (2651 5478)]

[Text] Hong Kong, 19 Dec (ZHONGGUO TONGXUN SHE)—China and the United States will continue their talks on protecting intellectual property rights soon. Qiu Haodong, an economist and vice chairman of the Guangdong Association of Entrepreneurs, said: Although the United States says that intellectual property rights are not protected in socialist countries, the fact is that intellectual property rights are under protection in China, which has always been working on this topic.

Qiu Haodong, who is also director of Guangdong Canned Food Plant, explained this by using his own experience as an example. His plant produces all kinds of high-quality products, with the registered trademarks and the patents of new technology being under the protection of the trademark law. Activities of violating the trade mark rights and interests will be checked and

punished. This is of great significance. Moreover, China's trademark protection is being gradually internationalized.

He said, however, things still must be improved in this field. Counterfeit products are made throughout the world. Even in capitalist countries, imitations are frequently discovered.

In recent years, China successively enacted the "Trade Mark Law," the "Patent Law," the "Copyright Law," the "Computer Software Protection Law," and the concrete rules for their implementation. This shows that the work of protecting intellectual property rights has developed on a considerable scale. However, U.S. Trade Representative Carla Hills announced the date for imposing punitive tariff on Chinese goods according to Special 301 as being changed from 26 February to 26 January. This was an attitude of arbitrarily exerting pressure and acting wilfully. This will be neither favorable to the talks resumed on Saturday nor will it be favorable to the normal and healthy development of Sino-U.S. trade relations.

Article Cites Examples of Human Rights Abuses

HK2012051291 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 20 Dec 91 p 4

["Human Rights Forum" article by Liu Wenzong (0491 2429 1350), a professor in international law: "Anti-Chinese Laws of Yesterday and Blacklist of Today"]

[Text] For my teaching requirements, I have read some material about the treatment of Chinese people in the United States, both throughout history and today. This material depicts the true nature of some of the "human rights guardians" in the United States who are "concerned" about China.

One piece of this material is the Seventh Chapter of the Eighth Volume of the U.S. Code. Under the headline of "Excluding Chinese," it compiles several acts adopted from May 1882 to June 1940 for rejecting Chinese. One example is the Bertillon system of identification for the entrance of Chinese people into the United States, which codifies the practice of insulting and persecuting Chinese people into law. According to Webster's Dictionary, the "Bertillon system" is "a system for identifying prisoners [fan ren 3690 0086] through a description based on anthropometric measurements, notation of markings, bodily anomalies, and fingerprinting." More ridiculous is that the act even stipulates: "People who violate the law for rejecting Chinese will be fined and punished."

The Chinese people—who played a great role in the history of capitalist development in the United States—not only could not share the same status and rights as white European immigrants, but were also treated as slaves and criminals. The Chinese people's dignity was disdained, and they were deprived of their human rights. Rejecting Chinese [pai hua 2226 5478] was legal and

accepting Chinese was an offense. This is the human rights policy elaborated in the U.S. Code.

In the late 20th century, some provisions on rejecting Chinese were deleted from the U.S. Code, but Chinese people still face some harsh restrictions when entering the United States. Recently, one of my friends who wanted to visit his relatives in the United States found these words in the entrance visa application issued by the U.S. immigration authorities: "Those who were or are members of the Communist Party and its affiliated organizations cannot enter the United States." This shows that the United States, which always boasts of its "freedom of thinking, speech, and belief," not only gives no full freedom of belief to its people at home, but also prohibits the people in other countries from having freedom of belief by depriving the people who hold communist beliefs of their right to visit their relatives in the United States. This is the so-called "freedom, democracy, and human rights" advocated by the "human rights guardians"! This is the "legacy" they inherited from their anti-Chinese ancestors!

According to a report by LOS ANGELES TIMES on 6 October 1991: "The life of the U.S. blacklist for rejecting foreigners is even longer than the life of the cold war;" "The U.S. authorities still keep a list dating to the McCarthy period of approximately 320,000 foreigners who are prohibited from entering the United States due to their political beliefs;" "Over 70 percent of the names were added to the list after 1980;" and "the Chinese people form the majority in the blacklist." The newspaper also revealed that those blacklisted even include even babies less than one year of age, because "the parents' activities determine that they will have ideological problems." They do this kind of ridiculous thing to trample upon human rights. This was indeed a "world record" that should be included in the *Guinness Book of World Records*. The "human rights guardians" in the United States should lay bare the blacklist so that people can see what "freedom, democracy, and human rights" actually mean in the country that is home to the Statue of Liberty.

From the previous "Codes" to the present blacklist, the United States' national policy has always been to trample on the human rights of people, both at home and abroad. Reading these materials can make Chinese people understand many things: The "guardians" who most loudly advocate "human rights" are precisely those gentlemen who most ferociously trample upon human rights. They make every effort to peddle American-style "human rights" in an attempt to shake the people's government from taking root in the vast land of China. This is certainly wishful thinking that can never come true.

Let those "human rights guardians" with honey on their lips and murder in their heart continue with their rantings. The 1.1 billion Chinese people are firmly determined to advance with giant strides along the socialist path!

Soviet Union

Ukraine To Remove Nuclear Weapons in 1992

OW2012025791 Beijing XINHUA in English
0135 GMT 20 Dec 91

[Text] Moscow, December 19 (XINHUA)—Ukraine has decided to remove all nuclear weapons from its territory in the new year, a Defense Ministry spokesman said today.

V. Grechaninov told a press conference the process of withdrawal had already begun and was being conducted in a planned manner under the mutual supervision of Ukraine and Russia.

Yeltsin Establishes Security, Interior Ministry

OW2012045091 Beijing XINHUA in English
0207 GMT 20 Dec 91

[Text] Moscow, December 19 (XINHUA)—Russian President Boris Yeltsin issued an order today establishing a Russian Security and Interior Ministry, the Russian Information Agency reported.

Yeltsin also ordered the dissolution of the Soviet Interior Ministry, the Russian Interior Ministry, the Inter-Republic Security Bureau and the Russian Federation Security Bureau.

The order confiscated all their possessions including buildings, equipment, intelligence systems and documents.

Yeltsin appointed Viktor Baranikov to head the new ministry.

Baranikov was previously Russia's interior minister before taking over at the Soviet Interior Ministry on August 23 at the behest of President Mikhail Gorbachev.

Gorbachev Puts Forward Proposals on Commonwealth

Suggests New Name

OW2012025891 Beijing XINHUA in English
0156 GMT 20 Dec 91

[Text] Moscow, December 19 (XINHUA)—Soviet President Mikhail Gorbachev has put forward a host of proposals regarding the fledgling Commonwealth of Independent States, including giving it a new name.

In a letter drafted Wednesday, Gorbachev suggested renaming the new grouping the "Commonwealth of European and Asian States", TASS reported.

The letter was sent to the leaders of 9 Soviet republics in advance of their December 21 meeting in Alma Ata when the Commonwealth pact will likely be signed.

The six-page letter included various ideas concerning the organization of the new commonwealth.

He proposed that the Supreme Soviet convene a last session to approve a resolution formally disbanding the old Soviet Union.

The session could then transfer its legal powers to the ratified "Commonwealth of European and Asian States," he said.

Proposals Detailed

OW2012041491 Beijing XINHUA in English
0312 GMT 20 Dec 91

[Text] Moscow, December 19 (XINHUA)—Soviet President Mikhail Gorbachev Wednesday wrote an open letter to the leaders of the republics who will attend the meeting in Alma Ata Saturday on the issue of Commonwealth of Independent States.

In the letter, Gorbachev showed his attitude towards the current situation in the Soviet Union and made suggestions on the organization of the Commonwealth.

TASS carried the letter in full today.

Gorbachev acknowledged that the composition of a Commonwealth of Independent States is being realized, but he hoped that the process of its realization would not aggravate current destructive tendency in the society.

He pointed out that he wrote the letter for the purpose of putting forward minimum provisions, without which the Commonwealth can not be of vitality.

There should be complete equality within the Commonwealth as a multi-national entity, therefore the most suitable name for it would be the Commonwealth of European and Asian Republics, he said.

He called for exceptional caution in the discussion of opening borders and the issue of nationalities for the sake of stability of the Commonwealth.

On building the Commonwealth, the Soviet leader made suggestions for developing a market economy with special goals and protecting all forms of ownership without any restriction.

He also proposed to observe the treaty on economic cooperation and provide favorable conditions for establishing a common market of European and Asian republics.

Speaking on formulating a military strategic system, he warned that any little secessionist act would bring about disastrous outcome. He preferred to setting up an organization soon to keep the strategic weapons under united command and control.

Referring to foreign policies, Gorbachev said that it is fully reasonable for all Commonwealth members to act independently on the international arena, but it is also necessary to retain a political organ representing the commonwealth in the world community.

Russian Communist Party Founded, Affirms Marxism

OW2012043491 Beijing XINHUA in English
0345 GMT 20 Dec 91

[Text] Moscow, December 19 (XINHUA)—A Russian Communists Party was formally founded December 15 with an initial membership of 3,000, three party representatives announced here today. The three, all members of the party's Political Committee, were speaking at a news conference to brief reporters on the December 14-15 founding session.

Policy documents and a party constitution were passed at the meeting, they said.

The party stood for a modern interpretation of the Marxist philosophy which took current realities into consideration.

The party aimed to safeguard the interests of workers, farmers, laboring intellectuals and all other laborers, they said.

It's strategic goal was to build up a society run by the proletariat. Its short-term task was to lead society along the socialist road.

Economically, the party favored developing different forms of public ownership and allowing some forms of private ownership, combining market mechanisms with central planning, they said.

Democratic centralism and equal rights for all party members should serve as the basic principles for activities within the party, they added.

Near East & South Asia

'Arafat Arrives in Beijing on Official Visit

Welcomed by Yang Shangkun

OW2012032591 Beijing XINHUA in English
0303 GMT 20 Dec 91

[Text] Beijing, December 20 (XINHUA)—Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization (PLO) arrived here this morning by special plane on an official visit to China at the invitation of the Chinese President Yang Shangkun.

'Arafat, who was originally scheduled to come here late yesterday, was formally welcomed at a ceremony later this morning presided over by President Yang Shangkun.

At the ceremony, held at the Great Hall of the People, Yang accompanied 'Arafat in reviewing a guard of honor of the Chinese People's Liberation Army.

Present at the ceremony were Seypidin Aze, vice-chairman of China's National People's Congress

Standing Committee, Cai Cheng, chairman of the Chinese Government Reception Committee and minister of justice, and Yang Fuchang, vice-minister of foreign affairs.

Upon 'Arafat's arrival, Minister Cai and Vice-Minister Yang greeted 'Arafat at the airport. Also on hand was Palestinian Ambassador to China Yusuf Rajab.

Briefs Yang on Peace Talks

OW2012093391 Beijing XINHUA in English
0843 GMT 20 Dec 91

[Text] Beijing, December 20 (XINHUA)—Chinese President Yang Shangkun today spoke highly of Palestine's unremitting efforts in seeking a fair and reasonable solution to the Palestinian and Middle East issues.

Yang met with President Yasir 'Arafat of the state of Palestine at the Great Hall of the People here shortly after 'Arafat's arrival this morning.

According to a Chinese Foreign Ministry spokesman, Yang said that the Chinese Government appreciates Palestine's practical and flexible attitude on the Palestinian and Middle East issues.

Palestine has overcome numerous obstacles and actively promoted the current peace process in the Middle East, Yang said. In this, it has obtained extensive sympathy and support from the international community.

Yang reiterated China's consistent sympathy and support for the just cause of the Palestinian people, saying that China will, as always, continue to make efforts to promote the peace process in the Middle East, as well as to seek a fair and reasonable solution to the Palestinian and Middle East issues.

'Arafat expressed his welcome and pleasure at China's intention to participate in the third round of the Middle East peace conference upon invitation.

He briefed the Chinese president on the latest development as regards the Middle East peace conference, saying that Palestine hopes to work together with the United States and the European countries to remove the obstacles to the negotiations.

At the beginning of the meeting Yang extended a warm welcome to 'Arafat and said he was pleased to meet his old friend again. Yang praised 'Arafat for his contributions to Sino-Palestinian friendship, saying that his current visit would add a glorious page to Sino-Palestinian friendly relations of co-operation.

'Arafat said that China is not only a friend of the Palestinians, but of all of the Arabs as well as of all the people who love freedom and peace in the world.

"We treasure Palestinian-Chinese friendship very much and appreciate the consistent support of the Chinese

Government and people for Palestine's cause of liberation," he said, adding, "China has given us strength and hope."

'Arafat was scheduled to arrive in Beijing Thursday. Foreign Ministry sources said that the arrival was delayed because of changes in the timetable.

Li Peng Supports Participation in Talks

OW2012110391 Beijing XINHUA in English
1035 GMT 20 Dec 91

[Text] Beijing, December 20 (XINHUA)—Chinese Premier Li Peng expressed today to hope that the parties concerned in the Middle East adopt practical and flexible attitudes so as to make the current peace talks achieve positive results on the basis of relevant documents of the United Nations.

Li made the remarks during talks with visiting President Yasir 'Arafat of the state of Palestine here at noon.

China has always understood that the Middle East issue should reach a political settlement on the basis of relevant U.N. documents, in particular, resolutions No. 242 and No. 338 of the Security Council, Li said.

The occupied territories of the Arab countries should be returned and the legitimate national rights and interests of the Palestinian people should be resumed, Li went on.

Meanwhile, Li noted, the sovereignty and security of all Middle East countries including Israel should be respected and guaranteed.

"We support all sorts of efforts which are conducive to the peace process in the Middle East," Li said.

Peace negotiation is a hard and complex process, Li said, and it is good for all relevant parties to sit down and talk, as the on-going Middle East peace talks which were initiated by the meetings in Madrid.

The Middle East issue has lasted for over 40 years, with the Palestinian question being the core, Li said, adding it is the right time to solve the issue. "We hope all parties concerned will grab the chance and adopt practical and flexible attitudes, so as to make the current peace talks achieve positive results on the basis of the relevant documents of the United Nations as well as to promote the comprehensive, fair, and reasonable settlement of the Middle East issue," Li said.

Li expressed his appreciation for the principled stand and the flexible attitude of the Palestine Liberation Organization (PLO) during the peace talks, as well as the efforts of the PLO in actively pushing forward the Middle East peace process.

He told 'Arafat that China, upon the invitation of the PLO and relevant parties, is preparing to participate in the third phase of the Middle East peace talks.

'Arafat said Palestine attaches great importance to its friendship with China and the Chinese leaders, noting that the Palestine Liberation Organization and the state of Palestine have made great efforts for the holding of the Middle East peace talks and for the progress of the meetings in Madrid.

He said that China is a friendly country of Palestine. It is of great importance that China, as one of the world's big countries, should participate in the settlement of the Middle East question.

'Arafat briefed Li on the progress of the peace talks in Madrid and the difficulties the talks are now facing, and said he hoped that China would play its due role in this regard.

Li said it is China's hope that the second phase of the Middle East peace talks being held in Washington will make progress. Owing to changes in the international situation, he said, the United States should bear greater responsibility for the success of the talks.

He reaffirmed China's consistent stand on the holding of an international conference on the Middle East question, to be attended by the five permanent members of the United Nations Security Council and all parties concerned.

Referring to Sino-Palestinian relations, Li said China and Palestine have always enjoyed very good relations.

China has consistently been concerned about the Middle East question and supported the Palestinian and Arab people's just cause. It sincerely hopes that this problem

will be politically settled in a complete, just and reasonable way so as to realize peace and stability in the region, which will benefit world peace and development, he said.

"China has made efforts to this end," he added.

Indian Premier Comments on Sino-Indian Relations

*OW2012121291 Beijing XINHUA in English
1202 GMT 20 Dec 91*

[Text] New Delhi, December 20 (XINHUA)—Indian Prime Minister P.V. Narasimha Rao said today India and China agreed that efforts should be intensified to find an early, fair, reasonable and mutually acceptable solution to the boundary question.

In a statement in the Lok Sabha (Lower House), Rao said, "We expressed our satisfaction that peace and tranquillity had been maintained in the border areas."

"We stressed that our differences on the boundary question should be reduced and that we should maintain our contacts with each other in order to provide directions to the joint working group that was set up to deal with this question in 1988," he added.

Rao reiterated that India considered Tibet to be an autonomous region of China.

He said Chinese Premier Li Peng, during his six-day visit here last week indicated that all issues, except that of the independence of Tibet, were open to negotiations with the Dalai Lama.

Rao said that India did not allow Tibetans to engage in anti-China political activities in India.

Political & Social

'Close Watch' on Dissidents' Activities Ordered

HK2012025091 Hong Kong SOUTH CHINA
MORNING POST in English 20 Dec 91 p 10

[By Chris Yeung]

[Text] Chinese communist leaders have ordered authorities to prevent pro-democracy activists joining ranks with private entrepreneurs to increase their strength, according to an internal party document.

According to the Hong Kong-based newspaper, Economic Times, a "highest-ranking leader" has instructed local officials to keep a close watch on the activities of pro-democracy activists.

The officials were told to pay special attention to the moves of pro-democracy activists who were remaining in the mainland to "collaborate with the privately owned enterprises" to form a new class.

The senior leader was quoted as saying that the most crucial matter now was to maintain stability on the mainland.

"The regime will be stable if (we've) done a good job in the mainland."

The leader reportedly said the dissidents forced into exile after the June 4, 1989 massacre were no longer a threat to the mainland regime, adding that the activists were experiencing strife and factional fighting among themselves.

But they [dissidents or activists remaining in the mainland] were still a threat, even though they would not be able to engage in any political activities in the aftermath of the June 4 crackdown, the official said.

"They are still there and will continue to play tricks.

"We have to pay special attention to whether they are engaged in trading activities through the setting up of companies.

"If so, they will become a special class and a disrupting force to political stability. They will become an underlying force that threatens the regime," the leader said.

He called for vigilance against the "peaceful evolution" in the economic arena at a time when the country was pulling out all the stops to bolster the economy.

It has been pointed out that 250 billion yuan (HK [Hong Kong]\$360.5 billion) of the country's total savings, which are estimated at 750 billion yuan, belonged to the so-called getihu, or privately owned enterprises.

"This is terrible. What do these (owners of the savings of) 250 billion yuan want to do? They can buy out all the commodities," the leader reportedly said.

Operators of private enterprises have played an increasingly important role in the Chinese economy, particularly in the southern provinces.

According to the China News Service, the latest figures showed that about 100,000 people in Shenzhen have been engaged in private enterprises, constituting eight percent of the city's population.

The average figure for the country as a whole is only two percent.

From January to November this year, the total amount of taxation given by privately run enterprises to the Government reached 170 million yuan, representing an increase of about 24 percent, compared to last year.

Guangdong Prison Camp Detainee Release Expected

HK2012021391 Hong Kong SOUTH CHINA
MORNING POST in English 20 Dec 91 p 1

[By Chris Yeung]

[Text] The family of Hong Kong engineer Lau Shan-ching who is serving a 10-year jail sentence in Guangdong for counter-revolutionary crimes, has been told he will be freed on Wednesday, sources said.

His father is expected to go to Guangzhou in the next couple of days to meet his 38-year-old son, who he has only seen a handful of times since Christmas Day in 1981, when the computer sales engineer went to Guangzhou on a short visit.

In addition at least two of Lau's close friends are believed to be travelling to the mainland to see him and Hong Kong priest Father Franco Mella, a long-time campaigner for Lau's release, is also expected in Guangzhou.

Lau is serving his sentence at Wentang Tea Farm in Huaiji prison labour camp in the far northwest of Guangdong. He is likely to be transferred to a prison in Guangzhou early next week to start the process of release.

A source close to Lau's father said the judicial, procuratorate and public security authorities in Guangdong had separately confirmed his son would be released on Christmas Day, after completion of his 10-year term.

His case has been repeatedly taken up by the British and Hong Kong governments and dozens of local human rights groups.

The British Prime Minister, Mr John Major, put Lau on a list of jailed dissidents he handed to Beijing leaders during his September trip to China, asking that they be released.

Lord Caithness, the British minister with special responsibility for Hong Kong, was told by Chinese officials during his visit last month that Lau would be allowed home in December.

Lau has maintained contacts with his family through letters, which arrived once a month—but always one month late, a source said.

"It appears that he does not have to have hard labour work. We also heard that he has been well-treated because he behaved well in the prison. He is allowed to read newspapers."

Personnel Appointments at Party Congress Previewed

*HK2012073591 Hong Kong TANGTAL in Chinese
No 9, 15 Dec 91 p 13*

[By He Po-shih (0149 0130 2457) from Beijing: "Behind-The-Scene Struggles Over Personnel Appointments—Eighth Plenary Session Sets Down Tasks for Forthcoming 14th CPC National Congress"]

[Text] The Eighth Plenary Session of the 13th CPC Central Committee has set down a task "inheriting the past and ushering in the future" for the 14th CPC National Congress, scheduled to be held next year. Announcing the decision to hold the 14th National Congress, the Political Bureau of the CPC Central Committee pointed out: The 14th National Congress will select leaders of the third generation of the CPC and the Congress will be the beginning for the echelons of CPC leadership of the third generation to shoulder heavy loads in a real sense.

The Eighth Plenary Session of the 13th CPC Central Committee has not managed to discuss personnel appointment matters. A person in the know said: This was mainly because the two revered comrades, Deng Xiaoping and Chen Yun, took no action. They had their own propositions but neither wanted to be the first to disclose his proposal. What they did was to summon and have frequent talks with veteran comrades.

According to an analysis circulating at the Eighth Plenary Session on the part of Deng Xiaoping, he hoped to establish a "Jiang [Zemin]-Zhu [Rongji] structure" but Chen Yun just maintained there were no reasons to ask Li Peng to step down instead of saying which side he was on. He was quite displeased with the ousting from office of Yao Yilin by Deng Xiaoping. Li Xiannian put forth his opinions: First, the 4 June event is not yet over and "things are still in a mess." In other words, the combing out of cadres should be carried out even still more thoroughly. Second, the "Jiang-Zhu structure" will not be well positioned to do ideological work satisfactorily. Third, Deng Liqun should become a member of the Political Bureau. It has been reported that Chen Yun has a good opinion of Deng Liqun. In a letter to Deng [Xiaoping], Chen Yun said: "Xiao Deng [Liqun] has strong party spirit, a high theoretical level, rich experience in struggle, and good health conditions. He should do more work for the party."

In the course of deliberating personnel appointments for the 14th National Congress, there are indeed differences

of opinion on the "Deng [Xiaoping]-Chen [Yun]" organizational line. On 1 September this year, RENMIN RIBAO published a lengthy article by Chen Yeping, former deputy director of the Organization Department, entitled "Strive for Both Ability and Political Integrity, With the Stress on the Latter—On the Criterion for Selecting Cadres," which systematically expounds Chen Yun's organizational line and criticizes Deng Xiaoping's criterion for productive forces. In fact, it negates the organizational line adopted since the Third Plenary Session of the 11th CPC Central Committee. After reading the article, Deng Xiaoping summoned Jiang Zemin and asked: "Does RENMIN RIBAO want to criticize Deng in an all-around way?" Hence, at a central work meeting, Jiang Zemin openly criticized RENMIN RIBAO for one-sidedly propagating opposition to peaceful evolution to the neglect of giving publicity to reform and opening up to the outside world, for violating the party's basic line, and for interpreting the speeches of central leaders including himself out of the context. All this has left a very bad mark on China's state image in the international community. After the meeting, Jiang Zemin's criticism of RENMIN RIBAO was specially compiled and distributed in the form of document among party-member cadres at the departmental and bureau levels.

Zhao Ziyang Reassessing View of Student Movement

*HK2012024391 Hong Kong THE STANDARD
in English 20 Dec 91 p A-8*

[By Cheung Po-ling]

[Text] Disgraced former party chief Zhao Ziyang is extremely disturbed by the dissolution of the Soviet Union which has led him to reassess the soft stand he took on the student movement of mid-1989, sources close to Mr Zhao said.

They said Mr Zhao was concerned with developments in the Soviet Union and the imminent demise of the communist giant.

"He has been closely monitoring the changes taking place in the Soviet Union and was obviously shocked by developments there," source said.

In view of the rapid collapse of the Soviet Union, Mr Zhao has indicated a different stance on the student movement by affirming the hardline policy espoused in editorial of the PEOPLE'S DAILY [RENMIN RIBAO] of 26 April 1989, the source said.

During the student movement, Mr Zhao had openly disagreed with the editorial which condemned the student movement.

The editorial was published following endorsement by paramount leader Deng Xiaoping and other leaders.

At the time Mr Zhao, then party general secretary, was visiting North Korea.

The "4.26 editorial"—viewed as a turning point of the movement—said the protests were "a planned conspiracy" aimed at "negating the leadership of the party and the socialist system".

The publication of the editorial sparked street demonstrations by more than 100,000 students the following day.

Despite the change of view Mr Zhao still maintains the shootings and the crackdown by martial law troops on 3 and 4 June 1989 were wrong.

Sources said Mr Zhao had apparently apologised for the soft approach he took in trying to persuade the students to leave Tiananmen Square.

"It seems he has developed a different viewpoint on the suppression of political dissent," sources said.

Mr Zhao was later relieved of all party posts at the fourth Central Committee plenum in June 1989.

Sources said it was too early to predict if Mr Zhao would be given a new post at the 14th party congress scheduled for the last quarter of 1992.

RENMIN RIBAO Chief Said Criticized

HK2012123091 Hong Kong TANGTAL in Chinese
No 9, 15 Dec 91 p 28

[Article by Lu Yu-sha (7627 6276 2619): "RENMIN RIBAO Director Gao Di Criticized for Singing Japanese Militarist Song"]

[Text] Prior to the opening of the Eighth Plenary Session of the 13th CPC Central Committee, there was speculation that RENMIN RIBAO Director Gao Di would enter the Central Committee Secretariat. But when this news was going around, many people did not know that the Central Discipline Inspection Commission [CDIC] had criticized Gao Di and that he had been in an extremely awkward position.

On 12 November, Gao Di led a Chinese delegation to Japan to attend the fourth Sino-Japanese economic seminar. He has much feeling for Japan because he studied in the Manchukuo Senior Industrial School in the old days. When he led a Chinese delegation to Japan last year, he met many of his fellow students and sang the school anthem with them. It would have been alright if he had sung the song only in Japan. But who expected that after his return to China, he would have a article published in RENMIN RIBAO explaining in detail the meeting with his fellow students and the fervent atmosphere during which they sang the school anthem? Subsequently, some people did not mind taking the trouble of examining the files concerning the Manchukuo Senior Industrial School. Finally they found out that this school anthem was really a Japanese militarist song in praise of Greater Japan's [da ri ben 1129 2480 2609] effort to build the Greater East Asia Coprosperity Sphere. As a leader in charge of CPC media, he went so far as to call

back the spirit of Japanese militarists. So some people, unable to bear the thought of seeing this, reported it to higher authorities. But the higher authorities ignored this complaint.

Subsequently, a Japanese delegation came to visit RENMIN RIBAO. Gao Di invited fellow students of the Manchukuo Senior Industrial School to a gathering in the RENMIN RIBAO building. He asked the Japanese delegation to come to his office on the second floor (RENMIN RIBAO regulations forbid foreigners' entry into offices above the second floor), where they sang the militarist song and videotaped the activity. Former RENMIN RIBAO Director Qin Chuan (who also used the same office) learned this and reported it directly to the CDIC, pointing out that it was a disgrace to the country that RENMIN RIBAO Director Gao Di had sung the Japanese militarist song time and again. In the past, Zhou Erfu was expelled from the party for visiting the Yasukuni Shrine, because the visit was a disgrace to China. Now Gao Di should be given disciplinary punishment because he had brought disgrace on the country, and he was more senior than Zhou Erfu. The CDIC sent people to RENMIN RIBAO for investigation. Gao Di was worried and went to Qin Chuan to explain.

[Gao] Comrade Qin Chuan, I did not sing the school anthem but the graduation song.

[Qin] You were a second grade student at that time. How could it be the "graduation song"?

[Gao] We videotaped it only for a short time.

[Qin] For how long?

[Gao] Six hours.

[Qin] Is six hours a short time?

This matter soon spread. The CDIC had no alternative but to criticize Gao Di, and this was on everyone's lips in RENMIN RIBAO.

As everyone is aware, holding a high position, Gao Di will not be dealt with even though he has violated party discipline and state law, because a number of "leftists" who work with him will protect him. Exposing people like him only serves as a warning and can only deflate their arrogance. Even though laden with criticism, Gao Di will still sing the song when he cannot hold back his excitement. Maybe he feels secure in the knowledge that he has a strong backing. Will he bear in mind the higher authorities' criticism?

Tibetan Scholars on Human Rights Situation

HK1912121491 Beijing GUANGMING RIBAO
in Chinese 8 Dec 91 p 3

["Dispatch" by staff reporters Li Guihai (2621 2710 3189) and Lu Yantao (0712 1693 3447): "Tibetan Scholars Discuss Human Rights Protection in Tibet"]

[Text] Recently, we visited Pengcuo Zhaxi [2590 2238 2089 6007], special research fellow with the Chinese Tibetan Studies Center; Suolang Banjue [4792 2597 3803 6030], deputy secretary general of the center; and

Dawa Ciren [6671 3907 2945 0088], deputy director of the center's Historical Religion Institute. We asked them to share their opinions on the issue of human rights in Tibet. The following is the gist of their talks.

Tibet Is Inseparable Part of Motherland

Pengcuo Zhaxi: Some people in the U.S. Congress recently claimed that Tibet, with its surrounding areas, is an occupied country. This is totally contrary to the historical facts and embodies some ulterior motives.

Starting from a very early time, Tibet had contacts with the inland. In the seventh century, the early days of the Tang Dynasty, the Han people and Tibetans had close contacts and, apart from economic and cultural exchanges, established intimate political relations. Emperor Taizong of the Tang Dynasty married Princess Wencheng to Slon-brtsan-sgam-po, the then Tibetan tsan-po, bringing central China's advanced civilization into Tibet. Later, Princess Jincheng was sent to Tibet for another matrimonial liaison, which had an evident impact on Tibet's development. During Emperor Gaozong's reign, Slon-brtsan-sgam-po was granted titles such as "General Imperial Son-in-Law" and "King of Prefectures of the Four Seas."

Today, a "Nephew-Uncle Alignment Monument" stands at the gate of Jokhan Monastery in Lhasa. It was erected jointly by Tibetan Brstan-po Chirao Baojin and Emperor Muzong of the Tang Dynasty during the Changqing Period and serves as important evidence of the contacts between the Han and Tibetan peoples.

During the Yuan Dynasty, the Mongol Emperor Xianzong sent troops into Tibet and ended the anarchy there which had lasted almost 400 years after the Tang Dynasty. Tibet was officially brought into the boundaries of the Yuan Dynasty and became part of Chinese territory.

The claim that Tibet is an "independent country" has a background connected to the Western colonialists dating back to the very beginning. Before the colonialists started meddling in Tibet, there had never been the idea that Tibet was an independent country. The so-called "Tibetan independence" idea in modern history was completely a dirty game played by Tibetan reactionaries under the imperialist invaders' instigation.

From 1913 to 1914, the "Simla [xi mu la 6007 1191 2139] Conference," masterminded by British colonialists and Tibetan separatists, was a typical act. The British tried to realize colonial rule over our Tibet by severing it from China through this conference. However, the outcome of the "Simla Conference" laid bare the people's will: The Chinese representative refused to sign the so-called conference treaty, thus bringing this conspiracy to an abortive close.

Afterward, foreign imperialists kept meddling in Tibet and pulling strings behind a handful of separatists there. But they never succeeded.

Tibet was peacefully liberated in 1951. On 23 May, the signing ceremony for the "Agreement on the Method of Peaceful Liberation" between the central people's government and the local Tibetan government was held in Beijing. In August that year, the 14th Dalai Lama came back to Lhasa from Yadong and soon telegraphed to the central government his support for the agreement on Tibet's peaceful liberation. I was the interpreter sent by the central authorities to Tibet for contacts between the leading personnel and the Dalai Lama, and witnessed the process of Tibet's peaceful liberation. This was an important event in Tibetan history and was in line with the interests of all Tibetan people.

Suolang Banjue: The condemnation by some Western organizations and individuals on the Tibet question and the issue of human rights in Tibet is interference in China's internal affairs and also mockery of the so-called "human rights." This is because human rights are mainly an issue within the bounds of a country's sovereignty. Only on the basis of safeguarding sovereignty can human rights be guaranteed. Safeguarding the motherland's unity, nationality solidarity, and social stability must be taken as the preconditions for the development and progress of human rights protection in Tibet.

Dawa Ciren: Nationality solidarity is the fundamental guarantee of Tibet's prosperity. Tibet's history has proved this point. Historically, whenever nationality solidarity was strong, the Tibetan community experienced great progress and the people enjoyed stable lives and social prosperity. The social changes in Tibet we are going through today are further evidence of this. Therefore, separatism runs counter to the historical trend and is not in the interests of the large number of Tibetan people.

Human Rights Conditions in Tibet, Past and Present

Suolang Banjue: Nowadays, there are many stories about Tibet's past and its present conditions which distort the truth. In particular, some Chinese exiled abroad who experienced the old Tibet wantonly stand facts on their heads, painting the old Tibet as paradise and fiercely attacking today's Tibet.

In the 13th century, Tibet became a religiously and politically integrated society and remained a serfdom until democratic reform in 1959. The ruling class, comprising officials, hereditary aristocrats, and top-level monks and priests in monasteries, took up less than 5 percent of the total population, while the remaining more than 95 percent were serfs. The Tibetan equivalent of "serf" is "mizha" [4717 2089], meaning "human root." In other words, he had to subordinate himself to a manorial lord or else he could not survive.

Dawa Ciren: Mine was a serf family for generations and I myself was a serf when I was small. All the land in Tibet belonged to manorial lords. If one wanted to live in a place and survive, one had no choice but seek patronage from a manorial lord. In reality, serfs were tied down to

the land generation after generation and had to pay heavy land rent to the manorial lords.

The manorial lords gave serfs no freedom to move to other places, which the serfs were not capable of doing anyway. They had no personal freedom whatsoever and were often used by the manorial lords for exchange or as debt payment or dowry. Some handicraftsmen who did not work the land had to pay "human rent" [ren zu 0086 4436] every year and, whenever needed, would be summoned to offer corvée.

The life of the poor commoners under serfdom was indeed very miserable. Many people lived below the poverty line. Most of the people in rural areas were illiterate and had to go a long way to find someone who could write letters for them. I later went to primary and middle school, followed by further studies at Qinghua University. If it had been before liberation, it would have been inconceivable that a serf's son could enter a university.

Suolang Banjue: All of Tibet's pastures, meadows, and livestock belonged to the three manorial lords at that time. Their plantations were all over the agricultural areas. The serfs had nothing to their names but still had to pay services and taxes under all kinds of names. There was no industry in the modern sense to speak of in old Tibet, and its economy was very backward. Education was also very poor: There were only a small handful of monastic and lay official schools, each with about 50 pupils. There were not many schools specializing in training monks and priests, either, and a large number of people could only chant scriptures but not read the words. Therefore, quite a few lamas were illiterate. In addition, there were some private schools, numbering some dozen, throughout Tibet. Yet for the large number of children from poverty-stricken serf families, school doors were completely shut.

After Tibet's peaceful liberation, especially after democratic reform, thorough changes took place in society. The people's political power was established and the serfdom abolished. The laboring people freed themselves from exploitation and oppression and truly became their own masters. It was not until then that the Tibetan people started to have personal freedom and human dignity and obtained basic human rights.

Through the construction over the decades, the Tibetan society went through tremendous development in various respects. In 1990, Tibet's grain output reached over 500 million kg, 2.58 times over 1952 and representing a record high. Livestock output was 23 million head, 1.34 times over 1952. The per-head income of the farmers and herdsmen reached 430 yuan. Tibet has also established modern industries, such as manufacturing, power, tannery, timber, and mining. Hydropower stations have been set up in 80 percent of the counties. In education, the number of schools of various sorts has increased to 2,969. In a considerable proportion of state-owned schools, free education is provided for the children of

farmers and herdsmen who live, eat, and study in the schools gratis. Tibet now boasts 177,000 students who are currently studying at school and a modern university of its own.

All this shows that after the historical transformation, Tibet's social progress has been astounding. All who have been to Tibet and understand Tibet are witnesses of this.

Pengcui Zhaxi: Since liberation, especially since the Third Plenary Session of the 11th CPC Central Committee, the party's policies toward Tibet have won popular support. I went around the farming and pastoral areas in Tibet this summer and learned that the masses are very satisfied with the party's policies. As their livelihood is guaranteed, the farmers and herdsmen enjoy peace of mind. As is known to everybody, without Tibet's liberation and without socialism, it would have been absolutely impossible for Tibet to come to today's situation. The turmoil that cropped up in Tibet not long ago orchestrated by overseas hostile forces was in fact the result of some separatists' activities. Furthermore, the trouble was confined to Lhasa proper and things were fine in other cities, especially in the vast farming and pastoral areas. The reason is that the people's right of survival and their political, economic, and cultural rights and interests have notably improved and are guaranteed.

Those who turn a blind eye to the facts showing Tibet's progress and obstinately insist that the present is inferior to the past are aiming at splitting the motherland. This runs counter to the Tibetan people's will and will always be an unfulfilled fantasy.

Regional National Autonomy Brings Exuberant Vitality to Tibet

Pengcui Zhaxi: After liberation, the central government always respected the Tibetan people's various rights and interests. The principles concerning regional national autonomy were put down in the state Constitution and found expression in the concrete policies of the party and state. The "Regional National Autonomy Law" promulgated in recent years, in particular, specifies the issue of regional national autonomy in a legal form. This is an important policy. Currently, the Tibetan Autonomous Region is formulating autonomy regulations according to the "Regional National Autonomy Law," which are expected to come out soon.

Suolang Banjue: These years, Tibet has made notable progress in regional national autonomy. This finds expression first in regional legislation. Over 20 regional laws and regulations have been promulgated so far; for example, the stipulations that Tibetan representatives make up no less than 80 percent of the total representation in the people's congresses at various levels in Tibet and that the deadline for the examination and approval of criminal cases in the region be given some flexibility. Second, a series of policies have been made in agriculture, animal husbandry, handicraft, education, and population according to the central decrees and policies and

in view of local conditions. For instance, on the population issue, Tibetan cadres and workers are encouraged to have two children, with a proper interval, for each couple, yet there is no such limitation for farmers and herdsman. Third, the Tibetan language has been applied and developed. The regional people's congress standing committee passed "A Number of Regulations Regarding Study, Application, and Development of the Tibetan Language"; formed a committee to guide the work on the Tibetan language; and stipulated that conference documents and press publications of the region be written bilingually in Tibetan and Chinese. Schools are required to gradually establish an educational system with the Tibetan language as the core. Fourth, the ethnic cadres' contingent has grown. Tibetan cadres are given major responsibilities in the autonomous organs at various levels, which is an important sign that the Tibetans are their own masters. Today, over 37,000 Tibetans hold cadre positions at various levels, comprising 66 percent of the total number of cadres in the region. Among the cadres at the regional level, Tibetans comprise over 70 percent. Chief leaders of courts and procuratorates at various levels are all Tibetan. Moreover, large numbers of Tibetan cadres responsible for scientific and technological work have been trained. According to 1989 statistics, there were over 17,000 in this category, comprising 60 percent of the total in the region. Among them are professors, research fellows, and engineers, as well as journalists and artists. Fifth, Tibet has the right to manage and arrange for the regional economic construction on its own initiative. According to the state stipulation, in 1985 the Fourth People's Congress of the Tibet Autonomous Region passed a series of preferential foreign trade policies. Chinese and foreign experts were organized to investigate geothermal resources and the exploitation and utilization of some mineral products. Efforts were made to take advantage of Tibet's favorable conditions in its regular trade with neighboring countries, giving rise to a great expansion of Tibet's foreign trade. Besides, specific regulations were made to govern the protection, exploitation, and utilization of local resources and the arrangements for economic construction, management education, and cultural cause.

In the face of these iron-clad facts, the slanders that are not worth refuting become laughably absurd.

Dawa Ciren: I went to a primary school in Lhasa in 1954. It was Tibet's first school in a modern sense. All the teachers spoke Tibetan. The Han cadres in Tibet at that time, including many high-ranking cadres and their wives, all spoke fluent Tibetan.

The government took great care to respect and protect the Tibetan people's fine traditional culture. According to the statistics, more than 10,000 Tibetan books have been published since liberation. All major Tibetan historical documents, such as "Dazang Jing," have been published. There used to be no specialized organization in Tibetan studies, but now the entire country boasts more than 50 Tibetan studies units. "Tibetan studies" is growing into a special subject with much attraction.

Suolang Banjue: Tibetan medicine hospitals, which are seen in many places, have made outstanding progress. The regional Tibetan Medicine Hospital, the biggest of all, has a specialized Tibetan Medicine Institute and a modern pharmaceutical factory. Over 20 ancient classics of Tibetan medicine have been published, together with many modern Tibetan medicine treatises. The development of Tibetan drugs has entered a scientific stage.

Dawa Ciren: I went around Tibet this year. When I was in Lhasa, it happened to be the 15th of the fourth month by Tibetan calendar, which is an important religious holiday for the Tibetans. Crowds of religious people were seen everywhere in the city and the atmosphere was very peaceful. This was the result of conscientious implementation of the party's correct policy toward religions. I also saw some famous monasteries being repaired with the vast funds allocated by the state. Many people were there to pay homage. Whoever goes to Tibet can see this.

Pengcui Zhaxi: The human rights issue is very specific. It has to be defined in accordance with the history and reality of each country. Tibet has its unique historical background. The perennial serfdom severely hampered its social, economic, and cultural development, leaving it perennially in a backward state, far behind advanced regions. Therefore, Tibet's human rights have to be developed, and appraised, on the basis of this. Over the past 40 years since liberation, Tibet's social progress has been tremendous, or even earth-shaking. Despite some setbacks in this process, achievements have prevailed and splendid prospects are unfolding daily.

Achievements of Work-Study Schools Reported

HK2012004491 Beijing CHINA DAILY in English
20 Dec 91 p 3

[By staff reporter Xie Yicheng: "Juvenile Offenders Taught To Start Anew"]

[Text] China's work-study schools have proven successful in rectifying the lives of juvenile delinquents and transforming them into useful citizens.

About 90 percent of graduates from 102 such schools nationwide said farewell to their shameful past and can now either further their studies, find work or join the Army, said Zhou Changgeng, vice-president with the China Research Association of Work-Study Education.

The association held a three-day conference and seminar which started on Monday to exchange experiences in the reform of work-study education in Beijing.

Work-study schools have so far recruited nearly 30,000 juvenile offenders in large and medium-sized cities since the end of the "Cultural Revolution" in 1976, said Zhou, who is also principal of a Shanghai work-study school.

These "troublesome teenagers", aged between 12 and 17, had mostly committed criminal offences such as theft, gambling, street fighting and acts of abnormal sex.

According to their educational level and age, they are placed either in the primary, junior cultural or junior vocational classes, said Zhou.

Apart from being trained in law and discipline, they study Chinese, math, history, physics, music and sports like their counterparts in regular schools.

Work-study schools in Shanghai have established senior departments for their junior graduates if they wish to further their studies, similar to middle schools except for the stricter regulations.

In Beijing, vocational high schools are attached to the six work-study schools so that these juvenile delinquents can learn a special skill such as driving, electronic reparation and tailoring.

The main aim of the schools is to prevent these youths from committing further offences. This demands patience, care and devotion from the teachers.

There are nearly 3,000 special teachers in work-study schools across the country. Among them 70 percent have degrees at college level or above.

The schools have found that most delinquents go astray because they lack family warmth or are lured by others into pleasure-seeking.

The teachers treat the children as their own. Even if they run away and are forced back to school, the teachers reason with them rather than simply punish them.

Counselling is available to many of the children and their parents also attend lessons on how to overcome their own shortcomings so as to set a good example to their children.

Beijing has formed a protection network for juvenile delinquents. That is, if a young offender mends his ways and manages to fit in at a normal school, his identity as a probationary work-study student is erased from his record, Lan Hongsheng, vice-head of Beijing Education Bureau told the conference.

As a result of these efforts, the criminal offence rate among Beijing middle school students declined from 2.28 per thousand in 1986 to 0.98 per thousand in 1990, declared Lan. However, the meeting called on the community to support rather than discriminate against work-study school graduates and upgrade the education quality of the schools.

Central Broadcasting Station Programs To Change

OW1712223391 Beijing XINHUA Domestic Service
in Chinese 1425 GMT 17 Dec 91

[By correspondent Wang Yanqing (3769 1365 7230)]

[Text] Beijing, 17 December (XINHUA)—The Central People's Broadcasting Station will adjust its programs substantially next year. The six new composite programs will make their nationwide debut on 1 January 1992.

During a news briefing in Beijing today, Yang Zhengquan, director of the Central People's Broadcasting Station, said that the program change will be the station's third since 1985. Listeners have favorable comments on the programs—such as "Half an Hour at Noon" and "Eight-Thirty Tonight"—inaugurated during the previous two program adjustments, because they have expanded news coverage and increase its timeliness, he said.

Yang Zhengquan said: The forthcoming adjustments will give greater emphasis to such aspects as economic affairs, science and technology, and ideological education; most of these programs will be broadcast in the morning and afternoon.

It has been reported that the station's six new composite programs—"Economic Life," "Studio 439," "Science-Technology, Knowledge, and Life," "The Music World," "Stage on the Air," and "Musical Circles Overseas"—and the station's original news programs, special features, literature and art programs will provide a relatively rational program structure, because special programs will be aired in the morning, at noon, in the evening, and at night for their regular listeners. Since these programs have been expanded, have specific themes, and are flexibly produced, they will be more relevant to the people and their actual life, and can satisfy all sorts of listener needs.

QIUSHI No 24 Table of Contents Carried

HK171211191 Beijing RENMIN RIBAO in Chinese
15 Dec 91 p 5

[Table of Contents for QIUSHI No 24, 16 December 1991]

[Text] Article by Zou Jiahua: "Strengthen, Improve Macroeconomic Management, Invigorate Large, Medium State-Run Enterprises"

Article by Xu Chongwen: "Real Nature, Functions of Bourgeois Democracy"

Article by Miao Zuobin: "Giving Much Food for Meditation, Inspiring Readers To Further Efforts—Reading *A Learner's Jottings*"

Article by Gao Yan: "Conscientiously Solve Problem of Joining CPC Ideologically"

Article by Yang Yongzhe: "Carry Out Reform In Depth, Invigorate Circulation of Farm Products"

Article by Mou Lingsheng: "A Major Strategic Measure To Intensify Socialist Front in Rural Areas"

Article: "An Important Strategic Task To Step Up Political Development of Armed Forces—Minutes of Seminar on Deepening Education in Socialist Faith Among Air Force Units"

Article by Guo Dehong: "Follow Road to Socialism With Chinese Characteristics, Open Up New Situation in Modernization"

Article by Liu Yuchi: "Inspirations Drawn From *The Great Decisive Battle*"

"Combined Table of Contents for QIUSHI Nos. 13-24, 1991."

Military

Deng Calls for Maintaining Powerful Army

HK2012100491 Hong Kong AFP in English
0940 GMT 20 Dec 91

[Text] Beijing, Dec 20 (AFP)—Senior Chinese leader Deng Xiaoping, citing the continued presence of imperialism, has called for maintaining powerful armed and police forces, a newspaper reported Friday.

Separately, a spokesman said Friday the Chinese parliament would start the process of introducing ranks to the police force for the first time since the communist party took power here in 1949.

The Liberation Army Daily, the mouthpiece of China's armed forces, carried a signed analysis arguing for the preservation of a powerful army as a deterrent against hostile foreign forces.

"It is inconceivable for the standing army, public security organs, courts and prisons to wither away under a condition in which classes, and imperialism and hegemonism exist," Deng was quoted as saying.

"We must build a powerful, revolutionary army that is modernized and standardized," the 87-year-old military veteran said.

Deng is officially retired but used to be the head of the powerful party Central Military Commission (CMC) and still holds a decisive role in military affairs, army officers say.

He was the guiding force behind a reduction of one million troops from the People's Liberation Army (PLA) in the 1980s, as China strived to foster a more professional fighting force. The PLA now has some three million soldiers.

Deng's reported comments came amid the destabilization of the former Soviet Union. Chinese leaders have voiced concern over the chaos of their northern neighbor, especially the future of its nuclear arsenal.

The PLA newspaper refuted the theory put forward by foreign commentators that the importance of a strong army was decreasing as military conflict gave way to economic and diplomatic competition.

"It is clear that we must pay attention to the diplomatic struggle, but if there is no military backing, this struggle is doomed to lose," it said.

"If one wants to defend the independence, sovereignty and security of the state, not only the army is needed, but also the army's scale and quality must conform to the international status and the demand state interests and rights of the state," the commentary added.

It cited party General Secretary Jiang Zemin, who now heads the military commission, as supporting this stance.

"The building of socialist modernization requires a stable environment, so it is necessary to maintain a powerful army and consolidate national defense," Jiang was quoted as saying.

The newspaper said that "in the new historic period, the army still has a very important role to play," adding that although military force is less and less the means of resolving conflict, it was still the final arbiter.

Maintaining a strong army was also key in deterring the use of force, the paper said.

The spokesman for the National People's Congress (NPC) said the Chinese parliament would next week begin the process of introducing ranks into its national police force.

The measure was aimed at "strengthening construction, sense of duty and honor and discipline of the police," spokesman Zhou Chengkui told reporters, adding that it would improve the command and management of the force.

Ranks were first given to the army in 1988.

Chi Haotian at Meeting on Training, Supervision

OW1612150891 Beijing XINHUA Domestic Service
in Chinese 1008 GMT 16 Dec 91

[By reporter Sun Maoqing (1327 5399 1987) and Ma Xiaochun (7456 2556 2504)]

[Text] Beijing, 16 December (XINHUA)—At an all-Army meeting on training and supervision, which ended yesterday, General Chi Haotian, chief of General Staff, said emphatically: For a certain period of time to come, our military, in conducting its military work, should closely and continuously focus on the core tasks of upholding Mao Zedong Thought on military building, maintaining Comrade Deng Xiaoping's principles on military building in the new period, following the principles of promoting quality, and striving to attain general demands put forward by Central Military Commission Chairman Jiang Zemin, which calls for "political reliability, military competence, fine style of work, strict discipline, and strong logistics support."

While summing up and analyzing this year's progress in military work, Chi Haotian said: This year, military work was guided by relevant guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and Central Military Commission meetings. Such military work, which the whole military carried out by focusing on military training and supervision, was led onto the track of coordinated development. The quality of military training and the results of supervision showed marked improvement from last year.

Touching on military work for next year, Chi Haotian said: We must fully understand and implement the principles of promoting quality. He stated the opinion that enhancing efforts to promote quality in the military and following the line of developing crack troops with Chinese characteristics are the basic requirements of modern warfare and the basic features of military modernization. He said: We should fully understand the ideology of promoting quality. In our military, the contents of quality covers three aspects: 1) It is essential to possess a high degree of political awareness, advanced military thinking, and officers and men with relatively better scientific and cultural quality. 2) It is necessary to possess excellent and modern weaponry. 3) It is essential to combine effectively men and weaponry—that is, to organize personnel scientifically and to give strict training. He said: In promoting quality, we should not only improve the level of modernization of our weaponry, we should also stress efforts to embody such aspects as improving the military and political qualities of our men, further improving structural setup, and optimizing the composition of troops. We should also seek performance and combat effectiveness through quality. Next year, we should focus on these aspects: 1) We should optimize structure, improve weaponry, and strive to obtain more progress. 2) We should always focus on military training and supervision and improve the military quality of our units. We should focus on effective efforts to cultivate cadres and key personnel, work hard to cultivate and create in the whole military a large group of instructors with "four capabilities" and troop leaders who supervise willingly and with excellence, and improve the standards of training and supervision. We should focus on effective efforts to conduct regular training and supervision, train according to law and plan, give tough and strict training, and supervise units unrelentingly and with perseverance. We should also stress effective efforts to combine training with supervision and regular supervision with regular ideological and political work. 3) It is essential to work hard to improve our units' levels of mobile combat ability and the whole Army's level of combat readiness. 4) We should augment our reserve forces and improve our country's ability for national defense mobilization. 5) We should focus on the construction of commanding organs and stress efforts to improve our ability to give commands and guidance. He asked that the whole military continue to regard military training as the core and supervision as the focus to promote the comprehensive development of military work.

The all-Army meeting on training and supervision was conducted at an air force unit 10-15 December. Those attending the meeting summed up and exchanged experiences, they commended, inspected, and learned from the regular training and supervision conducted by an airborne unit, and they planned military work for next year. Attending the meeting were leading cadres from organs under the Central Military Commission's general departments, military regions and districts, various arms of military services, and relevant departments.

Defense S&T, Industry Conference Held in Beijing

OW1712050991 Beijing XINHUA Domestic Service
in Chinese 1407 GMT 16 Dec 91

[By reporter Xu Zhimin (6079 1807 2404)]

[Text] Beijing, 16 December (XINHUA)—This reporter has learned from the National Work Conference on Science, Technology, and Industry for National Defense, held in Beijing today, that by the end of November, the industry of defense science and technology had achieved 105 percent of the entire year's production value target and completed 94 percent of the key basic projects for scientific and technological research. The industry also had earned more foreign exchange and gradually increased economic returns.

Since the beginning of this year, the industry of defense science and technology has firmly implemented the principle of integrating the military sector with the civilian sector; relied on scientific and technological progress; vigorously readjusted its structure; maintained the favorable momentum of steady and coordinated development; adopted many new technologies and techniques in nuclear technology, aeronautics, astronautics, weaponry, vessels, and electronics; and developed some 1,000 kinds of readily marketable new-technology products, with the help of a series of policies and measures formulated by the State Council and the Central Military Commission and with the vigorous support of departments concerned, various provinces, municipalities, and autonomous regions. A majority of the nearly 300 important projects concerning technical transformation from military industry to civilian industry have basically been completed or put into operation, and are yielding remarkable economic returns.

The scope of applying military-industrial high and new technology expanded gradually. The technology of nuclear radiation has been widely used in breeding new strains of grain, cotton, and oil-bearing crops; whereas satellite technology has played an important role in geographical and geological surveys, oil exploration, radio and television broadcasts, and telecommunications, with remarkable social and economic efficiency.

Military-industrial enterprises successively put heavy vehicles, buses, oil exploration equipment, new types of textile machines, cigarette making machines, injection machines, digital line cutting machine tools, containers, new types of copiers, and a number of new products onto the market. Production and sales have improved. The production value of civilian products accounts for over 65 percent of the total of military-industrial enterprises. Export-oriented goods increased by a large margin, and the export value of the industry of defense science and technology grew 13.5 percent over the same period last year. Yun-12, Yun-8, and Yun-7 aircraft were successively marketed internationally and aircraft spare parts and components were exported to over 50 countries and regions, earning nearly \$400 million in foreign exchange. Twenty-two trade groups from the industry of defense

science and technology signed some 1,700 contracts at this year's Guangzhou fair, with transaction values amounting to \$550 million, up more than 10 percent over the previous year.

The conference was held and chaired by the State Commission of Science, Technology, and Industry for National Defense. Persons in charge of relevant corporations, ministries, and commissions under the State Council and directors of offices of science, technology and industry for national defense in various provinces, municipalities, and autonomous regions attended the conference.

Yunnan Secretary Views Double-Support Work

HK1312151691 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 12 Dec 91

[Text] The Yunnan Provincial Conference on Confering Honorable Titles on Model Units That Have Excelled in Supporting the Army and Providing Preferential Treatment to Families of Revolutionary Armymen and Martyrs as Well as in Supporting the Government and Cherishing the People [double-support work] was solemnly inaugurated in the Yunnan Provincial Military District Auditorium this morning.

Zhou Wenyuan, deputy director of the People's Liberation Army [PLA] General Political Department, Fan Baojun, vice state minister of civil affairs, and Wang Yongning, deputy political commissar of the Chengdu Military Region, attended and extended congratulations to the conference.

Our provincial party and government leaders, including Pu Chaozhu, He Zhiqiang, Yin Jun, Li Guiying, Liu Shusheng, Liang Jinquan, Zhu Chengyou, Dang Xiangmin, and Zhao Tingguang, as well as veteran comrades of the former provincial party committee, including Liu Minhui, Cui Yuting, and Gao Zhiguo, and leaders of troops stationed in Yunnan, including Chen Lianfu, Chen Qingyun, Yang Zaizhong, Liu Zhenqi, and Ding Minyuan, attended the conference.

The conference was presided over by provincial Governor He Zhiqiang.

Yin Jun, provincial party committee deputy secretary and provincial double-support leading group director, read out a decision made jointly by the Yunnan Provincial CPC Committee, the Yunnan Provincial People's Government, and the Yunnan Provincial Military District on conferring honorable titles on the following model double-support units: Wenshan Zhuang-Miao Autonomous Prefecture, Kunming City, Baoshan City, Mengzhi County, Luliang County, Mengla County, and Malipo County.

Zhao Tingguang, vice provincial governor and provincial double-support leading group deputy director, read out a decision made jointly by the Yunnan Provincial

CPC Committee, the Yunnan Provincial People's Government, and the Yunnan Provincial Military District on learning from model double-support units on an extensive scale.

The decision called on all party committees, governments, and people across the province conscientiously to implement and carry out a series of principles and policies formulated by the Party Central Committee, the State Council, and the Central Military Commission with regard to the double-support work, fully understand the importance of the double-support work under the new circumstances, further enhance consciousness for successfully conducting double-support work, set off a new upsurge of learning from the advanced and vying with one another to become models among all the people and servicemen across the province, continually carry forward the glorious tradition of our party and our Army of supporting the Army and providing preferential treatment to families of revolutionary armymen and martyrs and supporting the government and cherishing the people, work hard, and strive to maintain social stability, strengthen border defense, and develop Yunnan.

Provincial party committee Secretary Pu Chaozhu delivered at the conference a speech entitled: Successfully Further Double-Support Work Under New Circumstances, Serve Reform and Economic Construction.

In his speech, Pu Chaozhu stated: The 1990s is a crucial period for our country's socialist modernization building. Whether or not we will be able to withstand the test of the complex and intricate international and domestic struggles will be determined solely by whether or not we will be able to successfully build our party and develop our economy. To build a strong and impregnable fortress against subversion, aggression, and peaceful evolution, we must step up national defense building. To this end, we must view and successfully promote double-support work from the high and strategic plane of rejuvenating and making prosperous our nation and maintaining long-term stability and order in our country, and try to enhance consciousness and a sense of mission in strengthening unity between the Army and the government as well as between the Army and the people. Pu Chaozhu said: To raise our provincial double-support work to a new level, we must, in conducting work in the future, adhere to the basic double-support work principle and Marxism-Leninism-Mao Zedong Thought as guidance, and contribute to the attainment of our party's general task and goal, stick to a correct double-support work principle, strengthen unifying force as well as the intimate flesh-blood relations between the Army and the people, shift the focus of our work to the grass-roots level, mobilize and organize the broad masses of servicemen and people to participate actively in this endeavor, build more model double-support units at the grass-roots level, ensure successful double-support work at the grass-roots level on the basis of efficient and flawless organization, policy implementation, regular activities, and harmonious relations, and fulfill all double-support work quotas.

Pu Chaozhu went on: We must also persist in and carry forward our provincial fine tradition and style of the Army and the people joining hands in promoting border defense and actively supporting border areas, continually safeguard the lofty image of the people's Army and heighten the position of disabled servicemen, as well as family members of revolutionary martyrs and servicemen, who are entitled to special care, continually consolidate the basis of the double-support activities, firmly grasp ideological education, establish and perfect an operational mechanism for various double-support organizations, publicize and popularize various model double-support units, give prominence to the special spirit, the appealing, as well as unifying, force demonstrated by troops stationed in and the people of our province in jointly building border defense, and enable such special spirit, and appealing and unifying force to become a demonstrative force and a staunch banner capable of inspiring and spurring the broad masses of the people to deepen further the double-support work.

Fan Baojun, vice state minister of civil affairs, and Zhou Wenyuan, deputy director of the PLA General Political Department, also delivered speeches at the conference, in which they, on behalf of the State Civil Affairs Ministry and the PLA General Political Department respectively, extended warm congratulations to the convocation of the conference and to all model double-support units, and spoke highly of our provincial double-support work achievements.

Representatives of various model double-support units, including Zi Guorui, deputy mayor of Kunming City; Wang Yongning, deputy political commissar of the Chengdu Military Region; Chen Lianfu, political commissar of the Yunnan Provincial Military District, who also represented the troops stationed in Yunnan; and others also spoke at the conference.

Qinghai Secretary on Control Over Armed Forces

*HK1312132791 Xining Qinghai People's Radio
Network in Mandarin 2300 GMT 11 Dec 91*

[Text] The provincial work conference on party control over the armed forces ended on the afternoon of 11 December in Xining. The conference conscientiously studied the spirit of the CPC Central Committee and the Central Military Commission regarding work for strengthening party control over the armed forces and building the national defense reserve forces. It summed up and exchanged our province's experiences in work for party control of the armed forces in recent years, and further improved and drew up systems and measures for work for ensuring this.

At the end of the conference, Yin Kesheng, provincial party secretary and first secretary of the party committee of the provincial military district, spoke on our province's future work for ensuring party control over the armed forces. He said: Party control over the armed forces is our fine tradition and a fundamental system for building China's armed forces. Consolidating the

national defense reserve forces during the new period is necessary in developing the economy and national defense, and is an important component of party work as well. Party committees and leaders at all levels must have a full understanding of the strategic role of consolidating the national defense reserve forces, further enhance their initiative in improving work of ensuring party control over the armed forces from the high plane of safeguarding national security and social stability, promoting reform and development, and fulfilling the second-step strategic objective. They should work actively on their own initiative to consolidate the national defense reserve forces.

Yin Kesheng pointed out: Our province is located in the Qinghai-Tibet Plateau and possesses an important strategic position in the vast northwestern territory of the motherland. In the past few years, in our province, there has been political and social stability, nationality solidarity has developed, and people have lived and worked in peace and contentment. The overall situation has been good, but we must soberly discern that as prosperity and unity are continually developing and being consolidated, some factors of instability still exist. Under the current circumstances, we can only strengthen, but must not weaken, work for the people's militia.

He stressed: The people's militia is an important component of China's armed forces. Insisting on party control over the armed forces is the fundamental guarantee for maintaining the quality of the people's militia, which is a force of the masses led by the party, and for maintaining the correct political orientation for the building of the militia. Under the current situation, party control over the armed forces means that the party controls their direction, groups, education, and coordination, and ensure that their jobs are truly done. Moreover, it is also necessary to bring into full play the functions and roles of departments and units under the provincial military district and actively support military organs in bravely discharging their duties.

Yin Kesheng pointed out: In strengthening party control over the armed forces, it is necessary to begin with their fundamental building. Now and for a period of time in the future, it is necessary to attach importance to the organization and development of armed forces committees, to the implementation of various systems for the party's control over the armed forces, and to the organization and building of the people's militia.

Finally, Yin Kesheng called on party committees at all levels to pay attention to helping military departments and people's armed forces departments solve their actual problems. He said: Party secretaries at all levels should always care for work for ensuring the party's control over the armed forces, lead members of their party committees and leading groups of the governments in jointly improving work for the armed forces and usher in a good situation in which the entire party attaches importance to work for ensuring party control over the armed forces,

so that there will be new and greater progress in our province's work for ensuring party control over the armed forces.

Zhao Lianchen, political commissar of the provincial military district, made a concluding speech at the conference. Tian Chengping, Sang Jiejia, Ji Zhanbin, persons in charge of the provincial military district and troops stationed in the province, and major leading comrades in charge of various large leading groups at the provincial level, attended the conference.

Inner Mongolia Holds Military Training Meeting

SK1612130191 Hohhot Inner Mongolia People's Radio Network in Mandarin 2300 GMT 14 Dec 91

[Text] The region has made noticeable achievements in conducting military training among students with the purpose of cultivating new socialist persons with lofty ideals, moral integrity, education, and a sense of discipline. Since 1985 when the region started to conduct military training for students on a trial basis, 173 schools of various categories at various levels have conducted military training work, and trained more than 100,000 students.

Over the past years, the regional party committee, the regional government, and the regional military district have paid full attention to the military training of students. In 1988, the region established a leading group for conducting military training for students. Thus, there is an organizational guarantee for conducting military training work among students. Simultaneously, the region has also paid attention to selecting, training, employing, and managing military training teachers. So far, there are 558 full-time and part-time military training teachers. These schools generally trained the students for four or six weeks. The contents of the military training courses are principally limited to the military service law, the three great regulations of the People's Liberation Army (PLA), the military tactics below the company level, and the modern military scientific and technological knowledge. They also strengthened the political education on the military thinking of Mao Zedong, the fine traditions of the PLA, the firm socialist belief, and the enhancement of the unity of various nationalities; effectively upgraded the students' military and political quality; educated the students with the spirit of patriotism; and helped the students strengthen the sense of organizational discipline and temper themselves.

At the regional meeting to exchange experience in the military training work co-sponsored by the regional government and the regional military district on 13 December, several units introduced and exchanged their military training experiences. The meeting also commended 15 advanced individuals, including (Dong Erren); and five advanced collectives, namely Inner Mongolia Teachers Training University, Baotou Iron and Steel Institute, Hohhot Communications School, Chifeng Mongolian Nationality Middle School, and the

military training group of the Inner Mongolia Regional Military District stationed at Teachers Training University.

Zhao Zhihong, vice chairman of the regional government and head of the regional leading group for the students military training work; and Zhaorigetu, deputy political commissar of the regional military district, made speeches at the meeting.

Lanzhou Military Region on Plenary Session Spirit

HK1612090291 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 11 Dec 91

[Text] Since the Eighth Plenary Session of the 13th CPC Central Committee, in light of the actual situation of the troops, members of the Lanzhou Military Region CPC Standing Committee and leaders of party branches in various organs under the military region, have put forward major measures for implementing the spirit of the Eighth Plenary Session. First, it is necessary to propagate and explain the spirit of the Eighth Plenary Session to vast numbers of peasants, by making best use of the advantage that the majority of basic-level units are stationed in rural areas. Second, it is necessary to organize the troops to participate actively in basic water irrigation and conservancy projects, to engage at all times in operations to cope with emergencies, and to offer disaster relief to support agricultural development in the northwest, thus fulfilling extremely difficult, dangerous, and heavy tasks. Third, it is necessary to mobilize and organize the people's militia and reserve forces as a vital force in the development of the economy and spiritual civilization of rural areas. It is necessary to continue to do well in getting the troops to help the poor, to support agriculture with science and technology, and to assist agriculture with medical services in the two-support and other important campaigns. Fourth, it is necessary to strengthen the building of troops themselves and continually provide rural areas with outstanding key workers. The work for training personnel for dual purposes should be geared to the development of the rural economy, and emphasis should be placed on the various kinds of personnel badly needed by rural areas.

Tibet Military Officials Attend Graduation

OW1512113191 Lhasa Tibet Television Network in Mandarin 1230 GMT 14 Dec 91

[From the "Tibet News" program]

[Text] A graduation ceremony for the 10th group training class of staff officers of the Tibet Military District was held on 13 December. Deng Yongliang, deputy political commissar of the Tibet Military District, spoke at the ceremony. He said: Military training should follow the principle of being strict, regular, solid, and perfect. In the course of military training, it is essential to raise cadres' organizational and command power, and tactical quality in light of the special characteristics of this military district. Meanwhile, we should

constantly probe new ways to insure comprehensive logistical support for units and to raise various units' combined capability to conduct field operations during severe cold weather in the highlands. He called on staff officers to constantly explore and create new ways to lead the military training of various companies, and to turn these units into first rate companies with political consciousness and a mastery of military affairs.

(Ge Errong), deputy chief of staff of the Tibet Military District, and (Guo Lianxun), deputy director of the political department of the military district, participated in the graduation ceremony and reviewed the trainees.

At the graduation ceremony, leading members of the military district issued graduation certificates and gave awards to outstanding trainees.

Economic & Agricultural

Mainland Firms in Hong Kong Engage in Speculation
HK2012034991 Hong Kong AFP in English
0328 GMT 20 Dec 91

[By Peter Lim]

[Text] Hong Kong, Dec 20 (AFP)—Chinese-owned firms in Hong Kong are indulging in large-scale speculation—and their questionable activities have spilled back over the border into the Shenzhen Special Economic Zone, businessmen here say.

Over the past two years, speculation in foreign currency, shares, property and other commodities by these firms has risen continually, according to financial sources.

"It would be strange if you didn't find some of these firms engaging in speculation when they have discovered it can make faster and easier bucks," a Chinese executive here said.

"Doing business is difficult nowadays," he explained, pointing out that the worldwide recession has greatly reduced orders for Chinese goods, forcing companies to look for other ways of earning money.

Despite the Chinese Government's recent call to the estimated 5,000 mainland state-owned firms now operating in Hong Kong not to engage in banned activities, many firms, particularly the smaller provincial-level joint ventures, have ignored the warning.

"It's not their personal money, so they don't worry about the risks," an executive with a multinational Japanese investment firm said.

China's foreign exchange reserves could surge to between 35 and 37 billion U.S. dollars this year from last year's 29 billion dollars, he said, but he believed unaccountable "underground money" was being deposited without state approval by Chinese businessmen working abroad.

Chinese-owned firms in Hong Kong have introduced speculative practices to the freewheeling Shenzhen Special Economic Zone just across the border from Hong Kong.

A government official in the zone said state-run companies, joint ventures, collective businesses and private firms were now actively engaged in share, foreign currency and property speculation.

"It was the state-owned enterprises from Hong Kong which taught us these capitalist practices," said a young stockbroker from one of the Shenzhen Stock Exchange's six listed firms.

Property speculation has also forced the zone's authorities, who blame speculators in Hong Kong for rising property prices in Shenzhen, to enforce tighter regulations on sales of flats.

But one official in the zone said, "It has been the main line of business in recent months here," adding "business has been very bad due to the lack of export outlets and investment opportunities."

Property and financial sources in Hong Kong also say that property speculation in the territory can partly be blamed on Chinese enterprises trying to lay their hands on every piece of real estate they can.

Lu Ping, director of the Hong Kong and Macau Affairs Office of the Chinese State Council, recently warned Chinese enterprises in the British colony and the Portuguese enclave of Macau against speculation.

Rampant property speculation in the territory prompted the government here to impose a heavy stamp duty on some property deals in November, partly because it has been blamed for Hong Kong's continuing double-digit inflation, about which Beijing has expressed concern on several occasions.

Another Chinese executive based here, said Beijing has long known about Chinese firms in Hong Kong engaging in speculation, "but many of these firms have strong connections with the central or provincial level leaders," he said.

"Earnings from these firms are seldom channeled back to China, but flow into banks overseas," he said.

This money is for use by Chinese mainland officials when they travel abroad in the future, want to get foreign-made goods, or for their children to study abroad, he added.

Press reports here have said the scandal-ridden Bank of Credit and Commerce International branch in Shenzhen moved millions of dollars of public money into private accounts abroad.

According to Chinese figures, 839 leading Chinese enterprises with a total capital of 24.12 billion dollars operate abroad in 93 countries and regions, including Hong Kong and Macau.

Foreign Trade Growth To Outpace GNP Rise

HK2012012691 Beijing CHINA DAILY in English
20 Dec 91 p 2

[By staff reporter Wong Yong: "Foreign Trade Targeted"]

[Text] China's foreign trade is to make headway in the next four years, outpacing the development of gross national product (GNP) whose annual growth rate is forecast at 6 percent, Chinese foreign trade officials said recently.

It was pointed out that the import and export of technology will take the limelight from other businesses. Trade officials are now building up a set of comprehensive policies to guide business towards this goal.

High on their agenda is the establishment of a strict licence system for export commodities. From next year, every export-oriented manufacturer will have to become part of this system in a move to weed out their shoddy goods.

In a separate development, construction contracting and labour services overseas will also stride forward as certain foreign trade companies obtain approval to have a finger in the pie.

Looking into the future, trade officials are generally confident about the coming years. They hold that the good foreign trade momentum achieved this year is likely to continue in the next few years.

Statistics from the foreign trade ministry have pointed to a steady growth of exports and a recovery for imports this year.

The total foreign trade ending last November amounted to \$85.5 billion, demonstrating an increase of 17.3 percent for exports and 16.3 percent for imports over the corresponding period of last year.

Also, foreign investment in China has increased sharply. From January to November this year, the country approved the opening of 11,104 new foreign invested enterprises involving promised foreign funds of \$9.56 billion, up 70.9 percent over the 1990 figures.

Manufacturing ventures account for 90 percent of the total foreign invested enterprises approved. Those which have started operation had generated a combined export volume of \$7.68 billion in the January-November period this year, up 60 percent over the corresponding period in 1990.

The committed foreign loans this year are valued at \$5.63 billion, up 19.8 percent over last year, while the

sum actually spent totalled \$6.16 billion, up 4.1 percent. The contract volume of technology imports by the end of last October reached \$2.75 billion, up 338 percent over a year ago. The technology export contracts hit \$900 million, up 50 percent.

Government To Lower Tax Rate for Import Items

OW1912143791 Beijing BEIJING REVIEW in English
No. 48, 2-8 Dec 91 p 30

[Text] On January 1, 1992, China will begin to use an international commodity name and numbering co-ordination system for computing customs import tax. China will lower the tax rate for 225 kinds of imported raw materials, agricultural means of production, machine equipment and their spare parts and components. These projects mainly include:

- Some 72 kinds of raw materials. For example, the tax rate for cotton short-velvet will be lowered from 20 percent to 9 percent; busty rubber from 7.5 percent to 6 percent; synthetic rubber from 9 percent to 7.5 percent; ethylene, propylene and butylene and other chemical materials from 20 percent to 15 percent; some common shaped and special-shaped steel from 15 percent to 12 percent; heavy-calibre cast iron pipes from 30 percent to 15 percent; stainless steel tubes from 30 percent to 20 percent; and aluminum- and lead-plated steel plates from 15 percent to 12 percent;
- The tax rate of five types of chemicals for producing pesticides will be lowered;
- Some 58 types of machinery and their spare parts. For example, the tax rate for metal processing machine tools will be lowered, from 40 percent to 20 percent; numerical controlled telegraph exchanges from 20 percent to 12 percent; and their spare parts and components from 20 percent to 9 percent; spare parts and components of direct and alternating current electrical equipment, with a power of less than one kwh [kilowatt hour], from 60 percent to 40 percent; spare parts and components for electronic colour separation machines and photomechanical processing machines from 15 percent to 12 percent.
- A total of 34 kinds of foods. For instance, the tax rate of solidified palm oil will be lowered from 50 percent to 30 percent; maize oil from 50 percent to 20 percent; chocolate and other food containing chocolate from 70 percent to 40 percent; sweet foods not containing cocoa from 70 percent to 40 percent;
- Another 56 commodities. For example, the tax rate for instamatic cameras will be lowered from 80 percent to 50 percent; the films for such cameras from 80 percent to 30 percent; spare parts and components for microwave and electromagnetic ovens and other heating appliances from 100 percent to 80 percent.

Preferential Foreign Investment Terms To Continue

HK2012103791 Hong Kong CHING CHI TAO PAO
in Chinese No 50, 16 Dec 91 p 13

["China Economic News" article: "Preferential Policy for Foreign Businesses To Continue During Eighth Five-Year Plan Period"]

[Text] China will continue to implement the following preferential policies for foreign businesses in the Eighth Five-Year Plan period:

- Foreign businesses will be allowed to make investments in the form of physical goods like currency, machinery, raw materials, and transportation tools, as well as in the form of abstract capital like industrial property rights (patents and trademarks) and exclusive technology.
- Equipment, facilities, and raw materials imported by foreign businesses engaged in the investment of physical goods, as well as equipment and other production materials purchased in the international market with currency and imported by the foreign businesses will be exempted from customs duty and the joint industrial-commercial duty required in the importation process.
- Foreign businessmen will be allowed to invest in different fields and domains, except those which concern national security, affect the country's traditional export products, and whose products are subject to import quotas by foreign governments.
- Foreign shareholders of joint ventures will be allowed to serve as legal representatives.
- Foreign-invested enterprises will be allowed to purchase raw materials directly from the international market as well as market their products in both domestic and international markets.
- The government encourages foreign-invested enterprises to hire the necessary staff and employees from within the country and also allows them to recruit technical experts and top-level management personnel from overseas.
- The government implements a policy of low taxation on foreign enterprises, with a taxation rate that is lower than the income tax rates of state-run enterprises and collective enterprises.
- The government will offer a long term tax exemption and reduction period for investors of government-encouraged key industries. It will also offer more attractive tax policies to investors of major development areas, investors of advanced technology, and investors whose products are principally for export.

Government Lists Largest Foreign-Funded Firms

OW1912033791 Beijing XINHUA in English
0246 GMT 19 Dec 91

[Text] Beijing, December 19 (XINHUA)—China has for the first time announced a list of the 300 biggest foreign-funded enterprises in the country.

They include the Shanghai Volkswagen Corporation, Beijing Jeep Corporation, Antaibao (ATB) open-cut coal mine, Shenzhen Kangjia Electronic Corporation Ltd, Xiamen Overseas Chinese Electronics Co. Ltd, Guangzhou Iron and Steel Corporation Ltd, Shanghai Dajiang Co. Ltd, Beijing Matsushita Color Crt Co. Ltd, Guangzhou Peugeot Automobile Co. and Shanghai-ek Chor Motorcycle Company Ltd.

The list was compiled based on the sales volumes of the enterprises in 1990. Among them, the lowest sales volume was over 28.4 million yuan (about 5.6 million U.S. dollars), 14 had sales topping 500 million yuan, and five recorded 800 million yuan to 1.8 billion yuan.

Their last year's profits, assets, capital and export volumes were also announced. Some 18 of the enterprises exported over 20 million U.S. dollars-worth of products last year, and the biggest was over 100 million U.S. dollars.

These enterprises are mainly engaged in the production of textiles, garments, electronics products, electrical appliances, foodstuffs, cigarettes, machines, automobiles, iron and steel, fuel and chemicals.

They are mainly located in Shanghai, Shenzhen, Guangzhou, Beijing and Tianjin cities, and Guangdong, Fujian, Jiangsu and Zhejiang Provinces.

China has approved the setting up of 38,000 firms involving overseas funds, 16,000 of which have already gone into production. They had a total production value of 73.4 billion yuan and exported 7.81 billion U.S. dollars-worth of goods last year.

Export Commodity Bases Foreign Trade 'Mainstay'

HK2012113991 Beijing RENMIN RIBAO in Chinese
15 Dec 91 p 2

[By reporter Ban Mingli (3803 2494 7787): "Export Commodity Production Bases Become Mainstay of China's Foreign Trade"]

[Text] When the type of small four-wheeled tractor used in paddy farmland, dry farmland, or an orchard is modified, it can be used in urban construction, courtyard weeding, and street snow sweeping, and in the light of different needs can be changed to the "Egyptian type" or the "British type." It therefore sells well in the international market and is sold to 40 countries and regions.

The quality of "Pacific" colored cloth, a winner of six international gold and silver medals, is superior to that

of other products that took part in the contests. The agreements on the quality of the goods ordered abroad provide that 11 "minor mendings" are permitted in every 30 meters of cloth, but there are only five mendings in the "Pacific." Foreign businessmen are struck with admiration and do not know the reason: Why is your hand-woven cloth designed more delicately than what we draw with a pen?

These are only two of our numerous export products. They can hold sway in the international market because they are supported by export commodity production bases that are full of vitality—Jiangxi Tractor Plant and Wuxi City No. 1 Colored Cloth Weaving Mill.

The state enterprises designated export commodity production bases have stronger competitive power and emergency ability in the domestic and foreign markets and are the "bases" and "rear areas" of our country's export trade.

By the end of 1990, our country had built 10,984 export commodity bases, which provided goods worth 91 billion yuan, accounting for 45.6 percent of the total procurement of export commodities of the whole country in that year; and which earned foreign exchange of \$19.8 billion from export, making up 38.1 percent of the total amount of foreign exchange earned from export in that year. Bases which produced only a single export commodity in the past have now developed into comprehensive production bases and factories exclusively embarking on the production of export industrial products. The commodity production bases under the foreign trade departments have also developed very quickly. The export commodity production bases have become the central production locations for supplying many kinds of marketable goods and major export famous brand commodities.

During the Seventh Five-Year Plan period, the export commodity production bases further expanded and developed and the whole country organized and built three export commodity production systems—mechanical and electrical products, agricultural and sideline products, and light industrial and textile products—and product bases with the combination of "trade-industry-agriculture." By 1990, four production systems had invested capital totaling over 5 billion yuan; made arrangements for 3,348 projects, earned foreign exchange of some \$6 billion, and enhanced the trades' actual ability to earn foreign exchange from export.

The state has taken the international market as its objective and direction, given necessary guidance to and carried out necessary management of the export commodity production bases, adopted a series of policies and measures to support them, and speeded up the construction of the production bases. They have successively assigned special funds for the production of export industrial products, funds for the trial-production of new products, investments in facilities for production and technology, and circulation funds to support production;

and given support in foreign exchange loans and adopted measures to sell grain and chemical fertilizers by way of reward and to allocate rolled steel by way of encouragement. Some provinces, municipalities, and autonomous regions have also assigned funds for the establishment of export commodity production bases and contributed toward the consolidation of base construction. Ten years ago, the state made special arrangements for loans of \$500 million in foreign exchange and for loans of 500 million yuan for the purchase of complete sets of necessary equipment to carry out technical modification in some 400 bases, and each yuan invested increased the production of commodities for foreign trade by an average value of 2 yuan; while the ratio of input in base construction to output was 1:3 during the Seventh Five-Year Plan period.

These export commodity production bases have now developed approximately 10,000 kinds of new products; approximately 100 kinds of products have won international prizes; and a fairly large number of products have won certificates of quality from internationally recognized professional organizations.

It is learned that a large exhibition of the achievements in the construction of export commodity production bases will be held in the International Exhibition Center, Beijing, from 21 to 30 December.

Commentary on Base Construction

HK2012114091 Beijing RENMIN RIBAO in Chinese
15 Dec 91 p 2

["Short commentary": "Make More Efforts To Create New Situation in Construction of Export Commodity Production Bases"]

[Text] The role of building export commodity production bases is extremely obvious. Not only does the development of these bases arm an enterprise and strengthen a trade but, more importantly, they have become the mainstay and backbone element in developing our country's foreign trade; they can not only earn more foreign exchange for the country but, more importantly, can meet the needs of reform and opening up and become an important location where our country gears to the needs of the world, participates in international competition, and carries out international exchanges and cooperation.

Continuously doing a good job in the construction of the bases has a bearing on the issue of the momentum in our country's foreign trade during the Eighth Five-Year Plan period and in the coming 10 years. Therefore, the construction of the export commodity production bases can only be strengthened and not weakened, and must be further stepped up well.

The present achievements in the construction of export commodity production bases must be consolidated, and still more must they be pushed forward in depth and breadth. While continuously ensuring quality and

variety and raising economic results, we must develop the scale of export, raise economic results, give play to regional superiority, develop more well-known export products, and support key enterprises in earning foreign exchange from export. It is necessary to vigorously support privately owned production enterprises in developing foreign trade as well as enterprise groups combining trade, industry, agriculture, and technology, and to encourage foreign trade companies to run more Sino-foreign-funded export-oriented and technologically advanced cooperative projects. The investment structure and direction in the construction of export commodity production bases must be adjusted according to the state industrial policy. The technological standard and the economic results in input and output must be further enhanced and the results in earning foreign exchange from export must be raised in particular.

In doing well in building export commodity production bases, we at present still face a shortage of funds, the comparatively arduous task of technical modification, and other difficulties. The foreign trade departments must, therefore, step up macroguidance to and management of the construction of the bases. All departments concerned and governments at all levels must vigorously support base construction and put on a sound basis the policies of encouraging and the measures of supporting the completion of the necessary equipment so as to make the construction of export commodity production bases develop in a multichannel, multilevel, and multiform direction and scale new heights. In this way, we can lay a solid material foundation for the protracted stability and coordinated growth of our country's foreign trade and export.

Commentary Evaluates Import, Export Values

OW2012012091 Beijing XINHUA Domestic Service
in Chinese 0726 GMT 17 Dec 91

[Commentary by reporters Chen Xianxin (7115 2009 9515) and Wu Jincai (0702 6930 20880): "Total Import and Export Values Have Increased to a New Third Level in the Past Three Years; Economic Ties Between China and the World Have Gradually Become Closer"]

[Text] Beijing, 17 December (XINHUA)—According to materials from the State Statistical Bureau, China has obtained 16.9 yuan of every 100 yuan of its total national production value from the international markets. Experts commented: This shows the Chinese economy has occupied a space in the world economy and has a certain amount of room for maneuvering in international markets.

The most spectacular progress in China's foreign trade occurred after the Third Plenary Session of the 11th CPC Central Committee: It has developed from a major trading market with the Soviet Union and East Europe in the 1950's to the establishment of economic and trade relations with more than 180 countries and regions in the

world at present. While improving the economic environment and straightening out the economic order during the past three years, China's total import and export values have increased to the respective levels of \$100 billion, \$110 billion, and \$130 billion. As a result, total import and export values were equivalent to 31.4 percent of the total national production value in 1990. Many experts and scholars still argue about the most reasonable ratio of total import and export values to the total national production value. Some experts, however, pointed out: After all, for a country that had closed itself to international discussion for a long time, this is a remarkable achievement resulting from implementation of the policy of opening up to the outside world.

China's foreign economic relations and trade have developed on the basis of product economy and excessively centralized planned economy. Since reform and opening up to the outside world, the old economic and trading system has been gradually abolished and economic relations and trade have developed quickly. In the second half of 1989, China's foreign trade was affected for some time; however, remarkably effective rectification and restructuring in the domestic markets reduced excessive social demands, resulting in relatively abundant products. These products became the material basis for the development of foreign trade and exports. Meanwhile, by utilizing the market opportunities, China has promptly made successive readjustments in its foreign exchange rates. It has also undergone reform in its foreign trade system to smoothly expand its exports: Total exports values for 1989 and 1990 were \$52.5 billion and \$62.1 billion, respectively. In 1990, China's foreign trade has also achieved a trade surplus, reversing the successive deficit conditions since 1984. These actual results have made relatively considerable contributions to speeding up the domestic economic recovery and shaking off the current predicament.

The modern world has gradually moved toward a unified market. China's trade and economic circles have obviously noticed the movement of this major trend. Consequently, in recent years, they have paid special attention to steadily developing foreign trade with major countries and regions. While expanding exports, China's trade and economic circles have also appropriately increased their imports so that both imports and exports with the major international markets have gone up. Simultaneously, China has also made constant readjustments in its foreign trade system. It has introduced a series of measures that are more compatible with the international trade standards including administering intellectual property rights and the original place of exports. As a result, China's economy and trade have fostered closer relations with world markets. Some economists maintained: When aided by international markets, combination and connections between the economies of China and the world will greatly raise China's maneuvering ability in macroeconomic regulation over the domestic economy. Therefore, the pace of opening up to the outside world should be faster.

Insurance for Foreign Interests Booms in Beijing*OW1912152791 Beijing XINHUA in English
1313 GMT 19 Dec 91*

[Text] Beijing, December 19 (XINHUA)—The Beijing Insurance Company has collected more than 28.5 million U.S. dollars in premiums from foreign insurance policy holders during the first 11 months this year, 10 percent more than in the same period last year.

Since Beijing started the business in 1980, it has introduced about 60 varieties of insurance including products responsibility insurance, guaranty insurance, life insurance, shipping insurance, accident insurance for overseas tourists, and others.

Personnel in the financial field attributed the steady development of Beijing's insurance industry to the booming of foreign economic relations and trade and tourism in the city.

In the first 11 months this year, Beijing granted more than 500 Sino-foreign joint ventures and received 1.2 million overseas tourists. And the municipal export value came to 1.2 billion U.S. dollars.

Beijing Insurance Company has established more than 130 agencies in the city and employed about 230 local agents and more than 300 overseas agents in more than 100 countries and regions.

To meet the needs of the rapid development of Beijing's economic relations and trade, the Beijing Insurance Company will introduce more types of insurance as guaranty for export products, transport insurance for joint ventures and more next year.

More Management Personnel To Train Abroad*OW1412141991 Beijing XINHUA in English
1249 GMT 14 Dec 91*

[Text] Beijing, December 14 (XINHUA)—The Chinese Government plans to send more management and scientific personnel abroad during the next few years to study advanced management methods.

According to an official from the State Commission for Science and Technology, the training program designed by the State Council's Office of Talent will become an important part of China's scientific and technological exchanges with other countries during the Eighth Five-Year Plan period (1991-95).

During this period, groups of Chinese management and scientific personnel will be sent abroad in stages.

The official said that "the trainees will study how other countries draft economic and scientific plans, commercialize high technology products, as well as transfer and spread scientific achievements, and invest and predict markets."

Recently, China has sent two groups of people to Canada and Singapore for short-term management training concerning key scientific projects and management of new products.

Zhu Rongji Authorized To Oversee 'Reinvigoration'*HK2012094591 Hong Kong TANGTAI in Chinese
No 9, 15 Dec 91 p 10*

[Article by He Po-shih (0149 0130 2457) from Beijing: "Zhu Rongji Authorized To Plan China's Economic Reinvigoration"]

[Text] When Central Committee members were busy discussing the resolutions concerning agricultural policies at the eighth plenum, Political Bureau members were discussing another reform scheme of farther-reaching significance. If the scheme is actually put into practice, China may take a major step forward next year in reform and opening up.

According to Deng Xiaoping's instruction, State Council Vice Premier Zhu Rongji will forward a "plan for reinvigorating the national economy" next year. Reportedly, the scope of reform in that plan will far exceed that in the Zhao Ziyang era.

According to informed sources, the "Huangfu Ping offensive" in Shanghai last spring was in fact the preparation of public opinion for the "plan to reinvigorate the national economy." The opinion offensive was not designed to stir up an ideological debate.

Reportedly, the plan will include three major steps:

First, thoroughly smashing the old system of enterprises relying on state allocations and workers eating from the enterprise's same big pot. Enterprises which run in the red a long time and still cannot stop their business losses will be permitted to go bankrupt without discrimination. At present, it is planned that some large state-owned enterprises in Shanghai will be the first to declare bankruptcy. The first batch of enterprises going bankrupt will include Shanghai No. 3 Radio Plant, Shanghai No. 3 Steelworks, and Shanghai No. 101 Factory, which are all very large enterprises. The largest now employs over 10,000 workers. In addition, a labor contract system will be adopted on a universal basis and workers will be allowed to freely seek jobs and their "iron rice bowls" will be smashed.

Second, all state-owned enterprises will adopt management mechanisms now used by foreign-funded enterprises. This mainly includes the employment system, the income distribution system (not pursuing egalitarianism on the basis of low income), and the enterprises' enlarged financial management powers (including the right to fix prices for their products and decide other financial affairs).

Third, a number of large state-owned enterprises will be sold to foreign investors through auctions and other

forms of property rights transfer. The scope of such transfers will include the following: The stocks held by the Chinese side in some hotels run and owned by Sino-foreign joint ventures can be sold to the foreign partners; enterprises with unsatisfactory business performance can be sold or leased to foreign investors if they wish to take over; enterprises with good business performance can issue "B" stocks to foreign investors; major capital construction projects, especially urban construction projects such as underground railway systems, housing estates, and grade separations, can be contracted to foreign companies.

According to informed sources, Deng Xiaoping highly valued Zhu Rongji's ability, so he entrusted the important mission to Zhu. It was said that Deng Xiaoping once personally gave advice to Zhu, requiring Zhu to "tightly hold the banner of reform and opening up, do more work and utter fewer words, formulate a grand strategic plan to reinvigorate the national economy, and score major successes in the economic field." Deng said that Zhu "has a bright mind; can understand things quickly; is capable and courageous; has foresight; and is full of ideas."

Urges State Enterprise Innovation

HK2012102091 Hong Kong CHING CHI TAO PAO
in Chinese No 50, 16 Dec 91 p 13

[Report: "Zhu Rongji Calls for New Ideas in Improving Large, Medium-Sized Enterprises"]

[Text] While inspecting the work in Yantai of Shandong the other day, Vice Premier Zhu Rongji emphasized three new things in the current process of improving large and medium-sized enterprises.

1. A new concept in improving industrial production. This means that attention should be given to variety, quality, and economic efficiency in addition to speed. If an enterprise solely seeks speed at the expense of efficiency, structural readjustment, and the improvement of product quality, the products turned out will be stockpiled. The "debt chains" this year are a reflection of this problem. The enterprises with readily salable products basically do not suffer from "debt chains." In running an enterprise, it is necessary to choose the right things to produce, study the market, and seize the opportunity to readjust the structure. There is no way out for those which live off their past gains.

2. New thinking for technical transformation. These days, there is great enthusiasm for technical transformation. This is good. What we are worrying about today in the work on technical transformation is not shortage of funds but that the products turned out are not good or are unmarketable after the money is invested. At present, some enterprises want to produce whatever is readily salable, without understanding that though it is readily salable at the moment, this may not last long if the market capacity is small. In technical transformation, it is not enough to merely have the courage to take

the responsibility. What is more important is consideration of the choice of things to produce.

3. New measures in management. The internal management of enterprises is a very important science, especially when it comes to giving play to the role of workers. If the workers' enthusiasm is not mobilized, it will not work no matter how anxious the director is, and the enterprise will lack vitality. Whether a factory is well managed or not is directly connected with the mental state and ideological style of the director. It is imperative to set rigorous demands on factory directors, as they are shouldering a heavy responsibility. We should not let those who are not doing well in one factory move to another without any trouble. Otherwise, the enterprises will collapse.

More on 'Trilogy' for Enterprises

HK2012102291 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0840 GMT 19 Dec 91

["Special report" by Xian Ren (7033 0088): "Zhu Rongji's 'Trilogy' for Enlivening Large and Medium-Sized State Enterprises"]

[Text] After taking up the post of vice premier, Zhu Rongji was faced with an unprecedented predicament in which large and medium-sized enterprises were caught: stockpiling of products, slippage of economic efficiency, nearly 40 percent of enterprises suffering losses, and entangled debt chains.

Under such circumstances, Zhu Rongji, as the vice premier responsible for industry and communications, was skating on thin ice. But as he has been engaging in economic theoretical studies for a long time and was once a regional leader, he is competent in both theory and practice, which is indeed a big advantage for him in his position. More importantly, he is a man of action.

Soon after he assumed office, the State Council Production Office was founded, of which he became the head. Afterward, he went to the three northeast provinces, where large and medium-sized enterprises are concentrated, to coastal Shandong and Shanghai, and to Sichuan Province in the southwest. By visiting individual enterprises, he got to know the practical problems facing them at present, felt their pulse, and formulated strategic plans.

One can easily see from Zhu Rongji's recent speech that he is contemplating a "trilogy" for enlivening large and medium-sized enterprises. They are: clearing debt chains, readjusting industrial structure, and conducting large-scale technical transformation. The ultimate purpose is to enhance the economic efficiency of the enterprises in a comprehensive way and bring them into the orbit of a benign cycle.

Zhu Rongji has realized that "clearing debt chains" is the point of breakthrough. He designated the northeast region as the chief target for default-clearing and had the

various State Council departments set up 14 work teams to supervise such operations all over the country. Following that, in September, the national work conference on clearing debt chains was held, marking the beginning of default settlement on a nationwide scale. Of all the debt chains, totaling over 200 billion yuan, 100 billion has to be cleared this year, according to Zhu Rongji's order, and another 100 billion is to be cleared next year. The entire operation is to be completed within three years. At present, the campaign to clear debt chains has attained a considerable scale.

The second phase of Zhu Rongji's "trilogy" is structural readjustment. Over the years, structural readjustment has been but slogans without action. Zhu Rongji wants to carry out a big operation on enterprises. He demands that the irrational industrial structure be changed within three years. Starting next year, all enterprises which conform to the industrial policy, have high economic efficiency, and produce new products will enjoy guaranteed funds and energy supply and supportive preferential state policies. Those whose products are unsalable, whose efficiency is low, and whose stockpiling is high must be checked with utter determination and resolutely closed, suspended, merged, or changed in terms of line of production.

Zhu Rongji warned in advance that all projects that fail to conform to the industrial policy and all those that overlap with previous ones must be resolutely rejected unconditionally, so that the examination and approval always remain rigorous.

Yet this "operation" is no small matter. How to handle so many factories with so many workers once they close down? How to assimilate and appease the workers? We still have to wait and see the effect of this "operation."

The third phase of the "trilogy" is technical transformation. The national work conference on technical transformation and advancement in enterprises, which is currently in session in Beijing, is discussing how to implement this strategic arrangement.

It is learned that though China is experiencing some financial difficulty, a large sum of money and foreign exchange has been put into enterprise technical transformation. Technical transformation means renewing the equipment of the old enterprises established in the 1950's and 1960's so that they will be rejuvenated and continue to make great contributions to China's four modernizations. In addition, some key technologies and key equipment have to be imported, upgrading some enterprises to the advanced world level.

It is also learned that before the end of this year, the state will promulgate a series of new economic measures to support enterprises in their technical transformation and guarantee better implementation of structural readjustment and higher economic efficiency of the enterprises.

The slogan of enlivening large and medium-sized enterprises has been pronounced year after year. At last a

specific direction has been discovered. If Zhu Rongji's "trilogy" works, enterprise reform, a big problem in China's economic structural reform, will have bright prospects.

'Courage, Resourcefulness' in Reform Urged

OW2012055291 Shanghai JIEFANG RIBAO
in Chinese 13 Dec 91 p 1

[JIEFANG RIBAO commentator's article: "It Is Essential To Have Courage and Resourcefulness In Reform"]

[Text] The vegetable market has become prosperous and the prices of vegetables have been appropriate and moderate in the past month. Residents of various neighborhoods in Shanghai are praising the situation. This cheering situation has emerged following the reform of the system of production and marketing of supplementary foodstuffs and the ease of restrictions to give peasants a free hand in their vegetable production. Since 1985, Shanghai first carried out reform of the marketing system of fruits and adopted liberal policies in the production of fruits. Later, restrictions on the production and marketing of aquatic and poultry products were also eased. On 1 November this year, Shanghai eased restrictions on the operation of vegetables and bean products. Now we can see that we have achieved satisfactory results in every step of the reform. The market is brisk with abundant qualities and many varieties of products. Prices are stable, quality has improved, and transactions are reasonable. Residents have all expressed their satisfaction over the situation. Facts have proven that the reform of the system of supplementary foodstuffs in Shanghai is successful.

The practice of reforming the system of supplementary foodstuffs in Shanghai has penetratingly told us that we need courage and should be bold in carrying out reform. In other words, we should resolutely implement things we deem appropriate. We should be courageous in taking some risks and lose no time in creating a new situation. The liberalization of production and marketing of means of living like vegetables involves many things and may have various problems. Natural disasters may also limit the production and marketing of vegetables. We cannot say that those risks are not significant. If we do not have the courage to explore things and take up responsibility, it will be very difficult for us to take the first step of success. The reform being carried out by us is to persist in opening up socialism's own road through exploration. The existence of risks is a normal situation in the course of reform. Every reformer should have the mental attitude of carrying forward the pioneering spirit of being positive, progressive, and courageous in exploring things and taking some risks while adhering to socialist orientation. We do not mean we can be hasty and reckless and mess things up when we talk about taking some risks. We should soberly understand risk factors, adhere to the Marxist ideology of seeking truth from facts, and endure unavoidable mistakes and temporary setbacks which may happen in the course of deepening reform with

adequate mental preparation. We have built a material foundation and mentally improved through 10 years of reform, and, in particular, have formed a Marxist ideological line and gained abundant experiences in the course of reform, and so we are completely capable of ensuring such risks. If we hesitate because of being afraid of taking risks, then all kinds of contradictions during the transitional period will pile up and new unstable factors will occur if we do not solve those contradictions. Therefore, we should know that reform has risks but such risks can be ensured by us. Hesitating or going backward will have no way out.

The practice of reform of the operational system for foodstuffs in Shanghai has also shown us that we should be firm in taking the first successful step in the course of reform. Taking firm steps means we should, on the basis of conducting thorough investigation and study, make scientific decisions and formulate scientific policies. Besides, we should also seize the right time in taking such steps. People in Shanghai begin their morning activities with purchasing supplementary foodstuffs. The reform of the circulation system of supplementary foodstuffs, including easing limitations on vegetable production and marketing, concerns the welfare of millions of households and is a very sensitive subject of reform. Accordingly, leading members of the municipal party committee and the municipal people's government as well as concerned departments repeatedly conducted investigation and studied and discussed plans for reforming the system of vegetable production and circulation. Specific decisions have thus been made concerning the goal of reform and timing. The municipal people's congress also put forward constructive suggestions for the reform plan and some deputies went to cities which already had liberalized vegetable production to draw beneficial experiences. Leading cadres of various districts and counties paid attention to propaganda and ideological education before the reform of the system and supervised preparations at the grass-roots level. Reform measures can achieve expected results only if we act in a way like repairing a house before it rains. Whether overall or specific reform, we must not do it in a hasty manner and "make quick decisions without careful thinking." The success of all things depends on being diligent and prudent. We should be both bold and careful and should have both the courage of taking risks and a rigorous scientific approach in making policy decisions. Being "courageous" and "resourceful," in the final analysis, means liberating our thinking and seeking truth from facts. This is a fundamental ideological line for us in carrying out all reform work.

The liberalization of vegetable operations as a courageous and successful step in the reform of production and marketing of supplementary foodstuffs in this municipality is merely a first step. It will constantly face new situations, and new problems must be solved; however, the philosophical theory derived from the courageous and successful first step for deepening reform of

various undertakings in Shanghai really merits our serious research, and we can draw inferences about other cases from this instance.

Shanghai New Development Area Benefits Region

OW1612100891 Beijing XINHUA in English
0908 GMT 16 Dec 91

[Text] Shanghai, December 16 (XINHUA)—The fast development of Shanghai has had a positive impact on the economy of the whole region in the Yangtze Delta.

Cities like Nanjing, Zhenjiang, Yangzhou, Suzhou, Wuxi, Changzhou, and Nantong along the Yangtze River, and Hangzhou, Jiaxing, Huzhou, Ningbo Shaoxing and Zhoushan to the city's south have also experienced rapid economic progress over the past decade.

The combined output value of industry and agriculture almost hit 40 billion yuan in 1989.

According to economic experts, the opening of the Pudong New Area of Shanghai has created many opportunities for the neighboring regions.

These cities, linked by a sophisticated transport network, have also enhanced their economic co-operation and exchanges in market information, science and technology and personnel.

Qi Chuangeng, vice chairman of the Hangzhou Economic Association, said that the economic success of Pudong also depends upon the support of other regions of the country, especially of its close neighbors, in the fields of funds, marketing, resources and energy.

In addition, he said, Suzhou, Hangzhou and Wuxi on the bank of the Taihu Lake are all world-famous tourist resorts. People working in the Pudong New Area can spend their holidays by touring these scenic cities.

With the restructuring of the city's industry and trading systems, Shanghai is producing an ever evident positive effect, he said.

From Shanghai, many companies and institutions have obtained advanced technology and new information and have upgraded their production and research standards with the help of Shanghai people.

Therefore, he added, the co-operation between Shanghai and other regions is mutually complementary, he said.

Starting from 1990, directors of the municipal planning commissions have met annually to discuss their economic cooperation and ways to overcome various problems.

The aim is to gradually set a more rational economic system conducive to the development of the Yangtze Delta.

More Powers To Be Given State Enterprises

OW2012121091 Beijing *BEIJING REVIEW* in English
No 49, 9-15 Dec 91 pp 4-5

[Article by Jin Qi: "Untying the 'Tigers'"]

[Text] The drastic action China has taken this year to deepen the reform of the economic system has placed high on the agenda the question of how to successfully operate large and medium-sized state industrial enterprises. This action has aroused attention across the country. The 11 measures adopted by the State Council in May to improve the external conditions of enterprises and the stipulations put forward at the September CPC Central Committee Working Conference have provided an opportunity for these enterprises to overcome financial difficulties and reverse a slide in production and economic returns. A further step is expected to be taken towards the establishment of mechanisms for independent management of enterprises next year.

It is only natural for China to pay special attention to large and medium-sized state industrial enterprises, because these enterprises, although numbering only around 11,000, or 2.5 percent of the nation's total, constitute the mainstay and backbone of the national economy. Their industrial output value makes up 45 percent of China's total. The profits and taxes they turn over to the state represent well over 60 percent for the nation, thus providing the main source of the country's financial revenue. The success or failure of the reform of these enterprises has a great bearing on the consolidation of the economic base of public ownership, and on the future and destiny of the entire cause of socialism.

During the 1980s, the question of revitalizing state enterprises, particularly the large and medium-sized ones, always held the key position in China's urban economic reform, and substantial progress was made towards the resolution of the problem. These were the main factors in China's realization of the first doubling of the 1980 GNP, the remarkable increase in national strength and top international ranking for a batch of major industrial products. Of course, during this period, individual, private and foreign funded enterprises also developed rapidly. Up to 1990, however, the industrial output value of these enterprises accounted for only 9.8 percent of the country's total and the taxes only turned over to the state were insignificant at only 7 percent.

The question of injecting fresh vigour into key state enterprises is very complicated, involving all aspects of the reform of a rigid, antiquated economic structure. This is no easy task. It is even more difficult for these backbone enterprises to achieve reform when their financial burden is on the increase. Generally speaking, after a dozen years of reform, about one-third of the 11,000 key state enterprises, including first- and second-class state enterprises, have been initially revitalized, another one-third are in the process of being invigorated, and the remaining one-third remain sluggish or even in the red, placing them in a difficult position.

The reasons why these enterprises are sluggish include excessive tax burdens, inordinate administrative interference and failure to implement the decision of granting decision-making powers to enterprises as stipulated in the Enterprise Law. It has thus been impossible for some enterprises to establish a market-oriented management mechanism. Since the implementation of the states retrenchment policy adopted in order to rectify the economic order in 1989, the problem has been exposed more thoroughly (see the cover article in this issue).

In various taxes levied, for example, the income tax rate for key state enterprises is 55 percent, that for private enterprises 35 percent, collectively owned township enterprises less than 20 percent, and foreign-funded businesses 13-15 percent. The last group can also enjoy three to five years of reduced taxes and special exemptions. A 1990 survey of 193 key state enterprises in Beijing, Tianjin and Shanghai revealed that 81.6 percent of enterprise net income was turned over to the state in the form of taxes, fees (such as for energy and transport), loan interest and state treasury bonds. Another 10.2 percent was used to repay special loans and only 8.2 percent was retained by the enterprises, a 26.2 percent drop from the 1986 level of retained profits. In addition, large state enterprises usually have to subsidize many social welfare services, worker schools, kindergartens, hospitals and dormitories. They also have to take charge of old-age pensions for retired employees and the job placement of their children. When these running expenses are deducted, the enterprises are left with virtually no funds to carry out technical transformation and develop new products. Reform has quickly expanded the regulatory role of the market. In 1989, the proportion of products manufactured in line with the state's mandatory plan dropped to 17 percent of all produced. The existing mandatory planning, however, is mostly applied to key state enterprises. The state exercises strict control over the prices of products, leaving little room for manoeuvre. The raw and semifinished materials they need are guaranteed for only 70 percent of the total. The shortfall is made up by them by purchasing at negotiated, high prices, which increases production costs. Promoting the superior and eliminating the second rate is a normal phenomenon in market competition. The Enterprise Bankruptcy Law has been in existence for a long time. Some enterprises, however, have suffered losses due to unreasonable prices and other external reasons. In such cases, the state has protected them, so actually only a few enterprises have gone bankrupt. Conversely, in 1989-90, more than 600,000 township enterprises (3 percent of the total) went bankrupt. However, this did not adversely affect their high speed growth of production, because they had a flexible management mechanism.

Moreover, in regard to hiring of personnel, for instance, foreign-funded, township and private enterprises all have the right to employ the most qualified personnel, whereas a state enterprise cannot dismiss even a redundant worker, unless he is found guilty of violating a law by the court.

For the above reasons, key state enterprises have been obviously put in an unequal, inferior position in market competition, thus impeding their advance in the past few years. This is in sharp contrast with township, private and foreign funded enterprises which can continue their high speed development because they are free from the influence of retrenchment policies. The result is, as people comment, that the "tigers" are bound and the "monkeys" are free. Now it is time to untie the "tigers."

The 12 measures adopted by the Chinese government to improve the external conditions for enterprises are a wise move towards the unfastening of the "tigers." All the decision-making powers set down in the Enterprise Law should be granted to enterprises so that under the guidance of the state plan they can really become relatively independent commodity producers and managers. Enterprises should be allowed to retain more above quota profits so that they can genuinely turn into economic cells with the ability for autonomous development and increased value. In short, we must fill the pond with water to raise fish, and must not drain the pond in order to procure the fish. In order to gain something, we must give something. In this way, enterprises will become vigorous.

According to the latest news, in the first ten months of this year, production in key state enterprises has returned to normal, while sales and profits have also taken a turn for the better. Lu Guanqiu, a well-known farmer entrepreneur and director of the Hangzhou U-Joint [name as published], hailed this development when he said, "Now that the 'tigers' are to come out of the mountain, how about the 'monkeys'?" As usual, they are jumping about as they please.... [ellipses as published] Since the markets of China and the world are so vast, both can show their special prowess. Furthermore, many 'tigers' and 'monkeys' have tied the knot and become dependent on each other."

Lu's remarks are well put! We hope both the "tigers" and the "monkeys" complement each other to promote their advantages in market competition and that both emerge victorious.

November Economic Performance 'Basically Normal'

HK2012011291 Beijing CHINA DAILY in English
20 Dec 91 p 2

[By staff reporter Huang Xiang: "Heated Economy Is Cooled Down"]

[Text] China's economic performance was "basically normal" in November, with a cooling of previously overheated production, the State Statistics Bureau said yesterday.

The government has largely held industrial growth in check, slashed product inventories and enjoyed growing consumer confidence as booming retail sales illustrate.

According to the bureau's monthly report on economic performance, November's industrial output stood at 206.9 billion yuan (\$38.31 billion), up 9.6 percent over the same period last year. But the increase was down 4.3 percent on the average growth rate during the January-October period.

In October, industrial output growth registered a 14.3 percent increase over the previous year, giving rise to fears of a new round of economic overheating.

Bureau economists now note with satisfaction that the slowed industrial growth was registered in a variety of economic sectors and geographic regions.

Compared with the October figure, production growth of State-owned enterprises slowed by five percentage points while in collectively-owned firms it dropped by 3.7 percentage points.

The Bureau report also announced that the long inventories of finished products were "shortened significantly" as a result of the government's mandatory measures to control production and reduce stockpiles.

Compared with October, November saw nearly 6 billion yuan (\$1.1 billion) worth of stockpiles being reduced.

Meanwhile, the report noted a continuous recovery in retail sales in November.

"A sales boom is now evident in both urban and rural markets," said a bureau official.

November's retail sales soared 14.7 percent over the same period of last year to reach 81.7 billion yuan (\$15.13 billion).

In the breakdown, retail sales in urban areas rose 16 percent while sales at county level and below were up 12.3 percent.

Of all the important commodities, agricultural production materials enjoyed a 19 percent rise in November sales over the same period in 1990, the fastest growth on a year-to-year basis.

However, the bureau pointed out a slight pickup in inflation, caused in part by mounting sales.

Urban living costs in November rose a modest 1.8 percent over October.

The figure was based on a survey covering 35 large and medium-sized Chinese cities.

The report blamed seasonal factors for the slight price hikes in November, saying prices for fresh vegetables were 33 percent higher than in October.

But the prices are still lower than a year ago, the bureau said.

Meanwhile, the bureau is warning against rising production costs, plummeting profitability and widening budget deficits.

Bureau analysts declined to elaborate.

Industrial Growth Rate Slows

*OW1912182291 Beijing XINHUA in English
1252 GMT 19 Dec 91*

[Text] Beijing, December 19 (XINHUA)—Industrial production in China reached 206.9 billion yuan during November, up 9.6 percent from the same period of 1990, according to information released by the State Statistics Bureau.

The November growth rate marked a decline of 4.3 percent from the average rate of 13.9 percent recorded during the first 10 months of 1991.

The growth rate for light industry was the main contributor to the decline since the industry grew by only 7.2 percent over last year's same period. Heavy industry, on the other hand, still grew at a fairly high rate of 12 percent during the month.

However, combined industrial production rose by 13.5 percent to 2,119.4 billion yuan during the first 11 months of the year.

Zou Jiahua Commends Pharmaceutical Workers

*OW1912104191 Beijing XINHUA Domestic Service
in Chinese 1019 GMT 18 Dec 91*

[By trainee Ma Chaoyang (7456 2600 7122)]

[Text] Beijing, 18 Dec (XINHUA)—The State Pharmaceutical Administration commended 81 advanced individuals and 83 advanced collectives of the pharmaceutical industry today. Chen Muhua, vice chairman of the National People's Congress Standing Committee, attended the commendation meeting and presented awards to representatives of the advanced individuals and collectives. Zou Jiahua, Bo Yibo, Chen Muhua, and Wang Renzhong wrote inscriptions for the meeting.

In recent years, China's pharmaceutical industry has developed its economic conditions in a stable and coordinated manner. During the "Seventh Five-Year Plan," the annual growth rate of total pharmaceutical output value was 17 percent, and the industry began to move onto the sound cycle of balanced development and stabilized progress. Meanwhile, the broad masses of pharmaceutical workers have strengthened their socialist enthusiasm and sense of responsibility as masters of their own affairs. Also, the workers and staff have undergone profound changes in their spiritual outlook and ethical habits. Consequently, a large group of model individuals and advanced collectives, who are selfless in their work and contributions, have appeared.

Among the representatives commended today were diligent workers stationed at tough posts in remote and border areas, under difficult conditions all year round; organ cadres serving enthusiastically at the frontline of

production; pharmaceutical education workers who willingly served others without personal fame or gain; and experts and project technicians who have made outstanding contributions to pharmaceutical scientific research and development, and to the advancement of technical progress. In addition, the meeting also commended the following group of production enterprises: Those who persisted in developing their plants by applying science and technology; those who relied on technical progress and scientific management to enhance production and development; and those who increased their economic benefits.

At the commendation meeting, Qi Moujia, director of the State Pharmaceutical Administration, urged pharmaceutical workers and staff across the country to learn from the advanced individuals and collectives being commended.

Zou Jiahua Congratulates Bridge Project

*OW1512142091 Beijing XINHUA in English
1408 GMT 15 Dec 91*

[Text] Hefei, December 15 (XINHUA)—The first highway bridge on the lower reaches of the Yangtze River in Tongling city in east China's Anhui Province started construction today.

The 2,700-meter bridge will cost 250 million yuan (53 million U.S. dollars). It is a key construction project of the state's Eighth Five-Year Plan (1991-1995).

Upon its completion in 1994, the cable-stayed bridge will greatly help the development of tourism and economy along the two sides of the Yangtze River.

Tongling is well-known for its copper production and is 100 km away from Huangshan and Jiuhua mountains, famous tourist attractions in Anhui.

Vice Premier Zou Jiahua sent his message of congratulations on commencing construction today.

Zou Jiahua Writes Inscription for Hainan Magazine

*OW1912090191 Beijing XINHUA in English
0809 GMT 19 Dec 91*

[Text] Haikou, December 19 (XINHUA)—"Investment and Co-operation", a large magazine focusing on economic news and theory, is to be launched in early 1992 in China's largest special economic zone of Hainan.

The magazine, to be published by the Economic Co-operation Department of Hainan Provincial Government, will be released in early 1992.

Chinese Vice-Premier Zou Jiahua recently wrote this inscription for the publication: "Stick to reform and opening and develop Hainan's economy".

Chen Xitong Praises Asian Games Final Accounting
OW1612053691 Beijing XINHUA Domestic Service
in Chinese 0136 GMT 15 Dec 91

[Excerpts] Beijing, 15 December (XINHUA)—The financial work for the 11th Asian Games has forcefully ensured the smooth progress and success of the Asian Games by pooling everyone's wisdom and efforts, practicing strict economy, adhering to the principle of getting more done with less money, and taking advantage of socialism. The final accounting of revenues and expenditures during the Asian Games was completed recently and has been audited by the State Auditing Administration.

Recently, Chen Xitong, chairman of the Asian Games Organization Committee, chaired a meeting to hear the report on the final accounting of Asian Games revenues and expenditures. The fund-raising activities for the Asian Games were supported at great length by the party, state, people throughout the country, and overseas friends and raised a total of 2,215.38 million yuan from the state, social organizations at home and abroad, central departments such as the State Physical Culture and Sports Commission, Beijing Municipality, Qinghuangdao, and other localities, and from the sales of tickets. The heartwarming stories of enthusiastic support for the Asian Games at home and abroad are too numerous to mention. A total of 2,154.04 million yuan was spent on building, expanding, and maintaining 35 stadiums and gyms; the construction of electronics service projects, municipal projects, and support facilities; and expenditures for hosting the Asian Games. The accounts show a favorable balance of 61.34 million yuan. Efforts are being made to collect a small quantity of receivable funds and goods. [passage omitted]

After carefully examining the report on the final accounting of revenues and expenditures during the Asian Games, the meeting approved the report. In his speech, Chen Xitong noted: Financial and auditing departments have worked hard together and have correctly settled and audited the final financial accounts of the Asian Games. Their cautious and conscientious attitude of doing the job well from beginning to end has set a good example for hosting large-scale sports meets in the future. He stressed: We must follow four principles in handling all funds and goods received during the Asian Games—accounts must be clear; all money and goods received must be recorded item by item; receivable funds and goods must be collected exactly; and distribution and use of funds and goods left over from the Asian Games must be approved by relevant departments.

State Council Lifts Control on Sugar Supply
OW1412113591 Beijing XINHUA in English
1040 GMT 14 Dec 91

[Text] Beijing, December 14 (XINHUA)—The State Council, China's top governing body, decided to lift state control on the pricing, purchasing, distribution and

rationing of sugar since the country is basically self-sufficient in sugar supply. This was announced today by Yu Zhen, vice-minister of light industry.

According to Yu, this year the country's sugar output is expected to reach 6.33 million tons, a record high, making it the fifth in the world in sugar production.

When the People's Republic was founded in 1949, it could produce only 260,000 tons of sugar a year. To meet people's needs and industrial demands, the country had to import large amounts of sugar and it was the second largest sugar importer in the world for the past 10 years.

The country has made progress in manufacturing sugar refining equipment. A total of 544 sugar refineries in the country now have a combined annual production capacity of seven million tons.

Experts Urge Control of Farmland Pollution
HK1512030591 Beijing CHINA DAILY in English
14 Dec 91 p 3

["Call To Reduce Farm Pollution"]

[Text] The improper use of pesticides, fertilizer and plastic sheeting has caused pollution to China's farmland, prompting experts to call for immediate efforts to prevent further pollution, China Environment News [ZHONGGUO HUANJING BAO] reported.

Each year in the past 10 years, the paper said, pesticides were used on about 153 million hectares of farmland to prevent damage caused by insects and rodents and the diseases they spread.

About 6 percent of the total grain output, 10 percent of the cotton output, and 20 percent of total vegetable output were saved each year because of the use of pesticides.

Although pesticides played an important role in increasing output, a considerable portion of them spread into the natural environment causing pollution.

An investigation carried out by the Ministry of Agriculture in 1990 disclosed that about 6 million hectares of farmland throughout the country were being polluted by pesticides.

At present, only 30 percent of fertilizer used on farmland is being applied effectively. The remaining 70 percent is going into the atmosphere, soil, rivers and lakes.

Throughout the country, 1.6 million hectares of farmland were polluted by bad quality fertilizer, the paper said.

The using of plastic sheeting is also affecting the soil. According to statistics, 20 to 30 percent of plastic sheeting used for production was left in the soil.

For every hectare of farmland, there are 75 kilograms of plastic sheeting left in the fields.

Experts predict that by the year 2020, pollution caused by pesticides, fertilizer and plastic sheeting will still exist; however, the situation will be somewhat eased if certain measures are taken.

To solve the problems, experts suggest that more methods which use the natural enemies of pests rather than chemical pesticides should be adopted to prevent

damages caused by pests. Production of good quality fertilizer should also be encouraged.

And new technologies should be adopted to produce tougher plastic sheeting which farmers will be able to re-use rather than leave in the soil as is the current practice.

East Region

Shanghai People's Congress Committee Meets

OW1812022291 Shanghai People's Radio Network
in Mandarin 1000 GMT 17 Dec 91

[From the "News and Weather" program]

[Text] The 30th Meeting of the Ninth Shanghai Municipal People's Congress Standing Committee opened today.

Vice Chairman Ye Shuhua of the municipal People's Congress Standing Committee presided over today's meeting. (Ding Naikuan), member of the Law Committee of the municipal people's congress, made a report on the examination of the municipal draft regulations for collecting and sending back floating population, as well as explanations on the revision of the draft.

Hu Chuanzhi, vice chairman of the municipal People's Congress Standing Committee, explained the draft regulations governing the recall and election of deputies to people's congresses at various levels in Shanghai Municipality. He said: Relevant laws have only principled stipulations on the recall and election of deputies to people's congresses at various levels. Concrete methods and procedures for the recall and election of deputies to the municipal people's congress are different from those for the recall and election of deputies to district and county people's congresses. This is not good for our work. To standardize and institutionalize such methods and procedures, it is necessary to formulate unified regulations in this regard.

(Chen Xiangtao), vice chairman of the Urban Construction Committee of the municipal people's congress, explained a draft decision of the municipal People's Congress Standing Committee on the revision of the municipal tree-planting and greening regulations.

The meeting also heard a report about a draft decision of the municipal People's Congress Standing Committee on approval of the establishment of a People's Procuratorate for the (Qingsong) farming area under Shanghai Municipality. It also heard a report on appointments and removals.

Vice Mayor Xie Lijuan attended the meeting as an observer.

Shanghai Establishes Special Court for Elderly

OW1812150491 Beijing XINHUA in English
1422 GMT 18 Dec 91

[Text] Shanghai, December 18 (XINHUA)—Eastern China's Shanghai city recently established a special tribunal in its Jingan District to handle cases involving the elderly.

According to the Jingan District People's Court, the new court will hear civil cases involving personal rights, property rights, marriage, and other issues concerning the elderly.

In addition, the court will provide home services for persons over 70 and who have difficulty in coming to the court.

Some 20 percent out of the total population in the district are over the age of 60.

Shanghai Official Outlines Hi-Tech Strategy

OW2012090391 Shanghai People's Radio Network
in Mandarin 1000 GMT 18 Dec 91

[From the "News and Weather" program]

[Text] The municipal government has firmly decided to win, at any cost, an appropriate foothold for Shanghai in the field of high technology. In turn, this will promote a transformation of conventional industries and a readjustment of the industrial mix—a measure aimed at maintaining Shanghai's leading role in the country's economy and securing a leading position in international competition.

Briefing today's session of the Shanghai People's Congress Standing Committee on Shanghai's principles in developing high technology, its major targets, policies, and measures during the Eighth Five-Year Plan, Vice Mayor Liu Zhenyuan said: Shanghai has achieved initial success in developing high technology, with its output value last year exceeding 2 billion yuan, representing slightly more than 2 percent of the municipality's total. This initial success, however, is far from meeting the needs of transforming both the industrial mix and conventional industries. When facing fierce competition from fraternal provinces and municipalities, as well as the strong impact of international high-technology products, considerable difficulties and problems still exist in developing Shanghai's high-technology industry. To hasten the pace of development, the municipal government has, in August this year, organized a special task force to conduct large-scale investigation and study before formulating guidelines for developing high technology in Shanghai.

Liu Zhenyuan added: From now on, in developing high technology Shanghai will implement the principles of "concentrating strength, setting priorities, facing the market, and enhancing efficiency," with special emphasis on the development of four main industries—namely, electronic information, aeronautics and astronautics, marine oil and gas, and modern biological technology. It is expected that, toward the end of the Eighth Five-Year Plan, the output of Shanghai's high-technology industry will reach 10.5 billion yuan, representing 5 percent of the municipality's total and a three-percent increase over that of 1990. [passage indistinct]

Further on High-Tech Industry*OW1912181091 Beijing XINHUA in English
1307 GMT 19 Dec 91*

[Text] Shanghai, December 19 (XINHUA)—During the Eighth Five-Year-Plan period (1991-1995), the total output value of Shanghai's new- and high-tech industry is expected to reach 10.9 billion yuan, according to Vice Mayor Liu Zhengyuan.

According to his report at the on-going 30th meeting of the ninth plenary session of the municipal people's congress, the total output value of the city's new- and high-tech industry reached 2 billion yuan last year, 2 percent of the city's total industrial output value.

He said that the city's micro-electronics and computer industry is beginning to take shape and optical fibre and program-controlled telecommunication industries are developing quickly.

He pointed out that the city will emphasize development of electro-information, aero and space technology, oceanic oil and gas exploitation, and modern biological technologies.

Key products will include optical fibre telecommunication facilities, program-controlled telephone exchanges, super large-scale integrated circuits, trunk route planes, carrier rockets, applied satellites and multi-peptide medicines made using genetic engineering.

He said that the municipal government has already drafted a series of preferential policies and methods to encourage the development of new- and high-tech industry.

Shanghai Securities Exchange Marks Anniversary*HK1712072091 Beijing XINHUA Hong Kong
Service in Chinese 1440 GMT 11 Dec 91*

[By staff reporter Wang Hongyang (3076 3163 3152)]

[Text] Shanghai, 11 Dec (XINHUA)—The latest development slogan for Shanghai's security market reads "Center Around Shanghai Security Exchange and Build Up a Security Market Mechanism Which is a Strong Stimulus and Can Meet International Standards."

At an international symposium on securities held in Shanghai today, Zhou Zhishi [0719 5347 4258], Shanghai branch deputy director of the People's Bank of China, said: "Since 1984, Shanghai's security market has taken two major successful steps in developing security transactions over the counter and setting up a security exchange. The third-step strategic objective at the present stage is to promote and perfect step by step Shanghai's security market mechanism, which centers around the Shanghai Security Exchange."

This official in charge of managing Shanghai's security industry pointed out that the Shanghai branch of the People's Bank will create conditions to facilitate the

following three changes: 1) The security market mechanism will gradually fan out from Shanghai region to the entire country, to Hong Kong and Macao, or to the Asian-Pacific region; 2) the mechanism will be internationalized and standardized on a constant basis; and 3) the mechanism will gradually place its focus on both securities and stocks, rather than on securities alone.

This international symposium on securities, which was jointly sponsored by Shanghai Security Exchange, Macintosh [mai jian shi 7796 1017 2514] Solicitor's of the United States, and the Shanghai representative office of Hong Kong's WEN WEI PO, was held to mark the first operational year of the Shanghai Security Exchange, which was opened for business in December last year.

When talking about the next step of reform, Zhou Zhishi indicated that the concrete objectives of Shanghai's security market are to increase the number of varieties to be put on the market and to open up new security varieties; expand the issuance and listing amount of Shanghai's enterprise bonds; and on the basis of the first issuance of renminbi special stocks this year, vigorously explore new ways to attract capital both at home and abroad through the security market. In addition, it is necessary to step up efforts to work out a series of rules and regulations to guide the security market and set up fair and open market standards in accordance with international practices.

Director of Anderson [an da xin 1344 6671 0207] Company Mr. Mike Miller [mai ke mi lun 7796 0344 4717 0243] said in his speech: "With a real security market under development, Shanghai has started to take its first step into the world market." He indicated that China needs to carry out reform on its accounting system so as to accord the system with international practices.

Both Chinese and foreign scholars aired their views on a number of issues concerning the future development of Shanghai's security market, including promulgation of rules and regulations, and current international standards.

Foreign-Funded Enterprises Increase in Pudong*OW1912154991 Beijing XINHUA in English
1341 GMT 19 Dec 91*

[Text] Shanghai, December 19 (XINHUA)—The number of foreign-funded enterprises in the new Pudong area in Shanghai, China's leading industrial city, reached 160 in November. The total investment of the enterprises is 500 million U.S. dollars.

The area has made marked progress since it opened to the outside world in April, 1990, according to the Pudong Development Office under the Shanghai municipal government.

The office said that the area has drafted a series of rules and regulations on overseas investment. Meanwhile, construction of key infrastructural facilities are surging

ahead. The annual increase rate in the number of foreign-funded enterprises in the past year is 20 times the figure before the area was opening to the outside world.

Zhejiang Farmers Build Water Conservancy Projects
OW1712140291 Beijing XINHUA in English
1250 GMT 17 Dec 91

[Text] Hangzhou, December 17 (XINHUA)—In wake of last summer's severe flooding, over four million farmers in east China's Zhejiang Province have been busy constructing or repairing water conservancy facilities at over 70,000 locations.

Thus far, farmers in the province have reconstructed over 4,500 water conservancy projects which were destroyed by the flooding. In addition, they have reopened or developed over 65,000 hectares (ha) of irrigated land and have transformed 15,000 ha formerly low-yield land.

Numerous Zhejiang farmers who suffered severe losses during the flooding have doined efforts to raise over 220 million yuan (about 41.5 million U.S. dollars) to rebuild key facilities. The funds raised by the farmers amounts to 61.4 percent of all funds spent in the provincial rebuilding effort.

By the end of December, the farmers will have completed all work scheduled for this winter, as well as for next spring.

North Region

New Dazhai Township Party Chief Assumes Post
HK1912022491 Taiyuan SHANXI RIBAO in Chinese
25 Nov 91 p 2

[By staff reporter Mu Zhemin (4476 0772 3046): "Guo Fenglian Takes Up New Post"]

[Text] On 15 November, the Dazhai Township party committee announced the appointment of Comrade Guo Fenglian [6753 7364 5571] as its party branch secretary. Guo Fenglian assumed her new post the same day.

According to concerned sources, the pace of development has slowed down in recent years in the erstwhile model township of Dazhai, Xiyang. Consequently, the people of Dazhai have called for the return of Guo Fenglian. Since Guo Fenglian has profound affection for her hometown, the organization agreed to her return to work in Dazhai.

Dressed in simple style, Guo Fenglian returned to the Dazhai she left 11 years ago. Years of work and living in the city helped conceal her 44 years of age. During the first meeting, reporters joked: "Fenglian does not look old at all." She in turn replied with good humor: "Now (that I have returned to Dazhai) I am going to start

getting old!" In a single sentence, she already spelled out her determination to work hard and step up the pace of Dazhai's development.

Guo Fenglian described her return to Dazhai this time as "a daughter returning to her family home." It has been 11 years since she left Dazhai and agriculture. Her familiarity and unfamiliarity with Dazhai would increase the degree of difficulty in her work. But in spite of this, her unshakable sense of responsibility prompted her to return here. As she herself put it: "Dazhai is my old home, the place where I was born and where I grew up. Even if it were a 'pit of fire,' I would still jump in!"

Less than a week after her return to Dazhai, Guo Fenglian has already convened six seminars with old cadres and party members; talked to some villagers; climbed Mount Hutou; and visited Langwozhang and Hezuogou, where she inspected the construction of farm irrigation in detail. On the afternoon of 19 November, she discussed the opening of a grass-weaving factory with Song Liying and a work team from the prefecture and county; looked into the food and accomodation problems of craftsmen hired from Wenxi County; and studied the construction of farm irrigation, the socialist education drive in the villages, environmental hygiene, and other issues with the work team. She said: "Dazhai should grasp agriculture on the one hand, and supplementary industry on the other. As Dazhai had made its mark in agriculture, it should work hard on the building of farmlands. Relying on physical labor alone is now out of the question. It is necessary to purchase farm tools and rely on mechanization to develop agriculture."

Guo Fenglian frowned upon publicity on Dazhai and especially reports about her. She said: "I have just returned here, so there is nothing to write about. Let us just wait until there are results."

Guo Fenglian has now moved back to live in Dazhai.

Tan Shaowen Attends Tianjin Memorial Service
SK1912085191 Tianjin People's Radio in Mandarin
2300 GMT 18 Dec 91

[Excerpt] The ceremony to pay last respects to Zhang Huanwen, a noted patriotic personage and close friend of the CPC, member of the national committee of the Chinese People's Political Consultative Conference [CPPCC], member of the Central Committee Standing Committee of the China Democratic National Construction Association, member of the municipal CPPCC Committee Standing Committee, adviser to the municipal Federation of Industry and Commerce, and chairman of the municipal committee of the China Democratic National Construction Association, was held at the auditorium of Beifang Cemetery.

Attending the ceremony were Tan Shaowen, secretary of the Tianjin municipal party committee; Wang Xudong, deputy secretary of the municipal party committee; Wu Zhen, chairman of municipal People's Congress

Standing Committee; Liu Jinfeng, chairman of the municipal CPPCC Committee; Zhang Zaiwang, member of the National People's Congress Standing Committee; Yang Jingheng, member of the municipal party committee Standing Committee; Zhu Wenju and Wang Juxing, vice chairmen of the municipal People's Congress Standing Committee; Xiao Yuan, He Guomo, Huang Difei, Liao Canhui, and Yang Hui, vice chairmen of the municipal CPPCC Committee; Guo Jinhou, secretary general of the municipal government; and Liu Zengti, director of the United Front Work Department of the municipal party committee. Wang Guoquan, vice chairman of the Central Committee of the China Democratic National Construction Association, made a special trip to Tianjin from Beijing to attend the ceremony. [passage omitted]

Nie Bichu Says Government 'Should Help' People

OW2012043591 Beijing XINHUA in English
0331 GMT 20 Dec 91

[Text] Beijing, December 20 (XINHUA)—Government must be under people's supervision, the Mayor of Tianjin Nie Bichu was quoted as saying by today's PEOPLE'S DAILY [RENMIN RIBAO].

At a working meeting of the Tianjin municipal government held Wednesday, he said that government should help those ordinary people without power and powerful connections to voice their opinions and listen to them about their difficulties and worries.

At the meeting, the municipal government settled 17 problems concerning aspects of people's lives.

In recent years, the Tianjin municipal government has taken people's opinions as the "first signal" and it opened the channels for the people's opinions.

The government officials have regular meetings with the citizens, and listen to their opinions sent by telephone and media services.

The municipal government also holds regular forums to exchange views with the deputies and members of the municipal people's congress and municipal committee of the people's political consultative conference.

The municipal government attached great importance to people's letters of criticism and it has set up a special office to handle the letters.

Abductor of Women Captured in Tianjin Bus Station

SK2012073491 Tianjin People's Radio in Mandarin
2300 GMT 19 Dec 91

[Text] A criminal fleeing from Sichuan to various other places in order to abduct and trade women fell into a dragnet at Tianjin's (Changtu) Bus Station. On the afternoon of 14 December, while on duty at (Changtu) Bus Station, policemen of the (Changtu) Police Station of the Dongjiao Public Security Subbureau discovered that a middle-aged man, carrying with him four young

women in their twenties, rushing to a bus leaving for Shandong. Again and again he urged the four young women to get on the bus quickly. Such a suspicious situation aroused the attention of the policemen on duty. After investigation, it was found that this middle-aged man was named Li Yousong, a peasant living in Sichuan's Guangan County who went to various localities to abduct women for sale.

On 13 December, at a labor service market in Zhengzhou, Henan, the man abducted the four young women and took them to Tianjin on the pretext of recruiting workers. On 14 December, he was captured while planning to take the four women to Shandong by bus to sell them.

Growth of Tianjin Economic Zone Detailed

OW1912134191 Beijing XINHUA in English
1230 GMT 19 Dec 91

["Roundup: Development Zone Ushering in Growth Period"—XINHUA headline]

[Text] Tianjin, December 19 (XINHUA)—After seven years of hard work, the Tianjin Economic and Technological Zone in northern China has passed its infancy and entered a period of high growth.

The zone hosts 301 enterprises involving a total investment of 590 million U.S. dollars. The three square kilometers developed in the first phase have all been taken up by foreign investors. An average square meter here claims 600 U.S. dollars of foreign investment.

The second phase of development is under way and has prepared some 1.2 square kilometers of land with basic facilities to set up plants.

Zone officials have found that, on average, every one yuan of input into infrastructure has attracted two U.S. dollars of foreign investment and generated three U.S. dollars of output. Local economists agree that such a high input-output ratio marks the beginning of a period of steady growth of the zone.

The past seven years have seen average annual growth in output by 70 percent. Per capita productivity has risen to 130,000 yuan and per capita export earnings to 8,000 U.S. dollars. These indicators all rank at the top of all coastal development zones.

Ye Disheng, director of the zone's administrative committee, said that, compared with development zones in Guangdong Province in southern China, Fujian Province in southeastern China and Shanghai, his zone is at a disadvantageous position in geographical location, demographic ties with overseas and in policies. However, Ye stressed, his zone has its own development model of higher productivity, and can provide a first-class investment and operations environment to foreign investors.

Great efforts have been made to improve the investment environment to attract foreign investment. Trade unions, customs, economic courts, banks and other government departments have worked hard to support foreign investors, Ye said.

Trade unions were often rejected by foreign businesses at the beginning. However, their activities to help foreign investors solve problems gradually won their acceptance and trust. Some 90 percent of the enterprises now have set up unions, which involve employees in making suggestions to rationalize production and to make contributions to enterprises. Trade union activities are estimated to have generated some six million yuan of additional income for their companies.

The customs authority has provided bonding services for 90 percent of the enterprises in the zone. It has also adopted flexible methods to exempt or postpone taxation to help many investors overcome initial difficulties.

A vocational training system has taken shape in the zone that includes pre-job, on-the-job and continued education for workers in foreign-invested companies.

Businesses operating in the zone now cover machine building, electronics, new building materials, fine chemicals, light industrials and textiles, bio-medicine and foodstuffs.

Most foreign investors complain, however, that the zone needs to further improve its living facilities. Although it has 2.5 square kilometers of living quarters with apartments for foreign investors and senior managers, living 50 km away from downtown Tianjin is still inconvenient.

To tackle this major obstacle, the administrative committee is mapping out a major plan, which will be implemented next year to improve living facilities in the zone, Ye said.

Economists predict that, with the arrival of more foreign business giants, the zone is expected to grow into a new industrial city in northern China.

Northeast Region

Sun Weiben on Unions, CYL, Women's Groups
SK1912124191 Harbin HEILONGJIANG RIBAO
in Chinese 20 Oct 91 pp 1, 2

[Speech by Sun Weiben, secretary of the Heilongjiang provincial party committee, at the national seminar on the work theories of trade unions, the Chinese Youth League, and the Women's Federation; date not given: "Endeavor To Upgrade the Level of Mass Work in the New Historic Period, Enhance or Improve Party Leadership Over the Organizations of Trade Unions, the Chinese Youth League, and the Women's Federation"]

[Text] The vast number of people are the fundamental motivation to push history forward. They are the source of the party's strength and the foundation of the party's victories. Our party has always regarded mass work as an important component of its work and the mass line as its fundamental working line. In the course of the party's work related to the people's affairs, the work undertaken by trade unions, the Chinese Youth League [CYL], and the Women's Federation has occupied an especially important position. It is a bridge or tie for the party to make contacts with the masses as well as an important social pillar of state political power. To broaden the party's influence on various social circles and to realize the party's missions, it is imperative to study deeply the theories of mass movements under socialist conditions; to enhance or improve party leadership over the organizations of trade unions, the CYL, and the Women's Federation; and to upgrade vigorously the level of mass work.

1. Earnestly Analyzing the New Situation in Mass Work and Correctly Fostering the Basic Point of Mass Work Represent the Premise of Enhancing or Improving Party Leadership Over the Organizations of Trade Unions, the CYL, and the Women's Federation

Whether we can upgrade the level of party leadership over the work of trade unions, the CYL, and the Women's Federation depends to a large extent on correctly grasping the historic environment and characteristics under which the party is engaging in its activities and on closely integrating the development of mass work with the party's missions. Judging from the current international situation, the basic contradiction affecting the international situation has not been eliminated. The conflict and struggle between socialism and capitalism's two different social systems and ideologies have intensified. Judging from the domestic situation, the work emphasis shifted by our party and the program enforced by our party in conducting reform and opening to the outside world have not only promoted the rapid development of the national economy, but also enabled the social political life to incur profound changes. All of these have enabled our mass work to face a new situation and put forward new demands for the work of trade unions, the CYL, and the Women's Federation.

First, we must always uphold the socialist orientation of mass work. Mass organizations have always been fronts for which the two different social systems are contending, and mass movements have always been the emphasis to which the two different ideologies are exerting influence. The two different social systems and ideologies will do so under the sharp and intensified struggle between infiltration and anti-infiltration, between subversion and anti-subversion, and between "peaceful evolution" and anti-"peaceful evolution." Our struggle against "peaceful evolution" will become more serious, arduous, and complicated, and the socialist orientation of upholding mass work will have an important and practical significance. Therefore, we must realistically enable our mass movements to be based on the

socialist ideals and targets; uphold the guiding position of Marxism in the movements of workers, youths, and women; and pay attention to setting up a clear demarcation line between Marxism and non-Marxism, and between scientific socialism and democratic socialism, in line with the basic issues of the relationship between the party and the masses, the character and role of mass organizations, and of integration between class nature and mass participation in mass movements. We must uphold the party's unified leadership over mass organizations, maintain unison between the party's guiding principles and the targets of mass organizations, and enable mass work to realistically render service for realizing the party's line and policies. We should resolutely oppose the advocacy of political diversification, prevent the trend of being divorced from the party's leadership, and vigorously enhance the cohesion and influence of mass organizations in the people's hearts.

Second, the historical task of building socialism with Chinese characteristics requires trade unions, the CYL, and women's organizations to become the basic force for developing the economy and stabilizing society. No matter how the international situation may change, the key is to carry out our domestic affairs successfully. Promoting the economy and greatly developing social productive forces are the party's basic task and also China's greatest political task for the present. To attain the second-step strategic objective of economic development, we need to fully boost the enthusiasm of the masses and maintain a stable social environment for a long time. Therefore, trade unions, the CYL, and women's organizations should also focus their activities and work methods on economic construction and regard it as their central task to develop the economy and stabilize society. They should adopt the unique methods of mass organizations for performing economic tasks to boost the masses' enthusiasm and exert positive influence on economic operation and the activities of enterprises. They should use their advantage of having extensive and direct ties with the masses to know and report the opinions and feelings of the masses in a timely manner, so that the party's policies and work will be more compatible with their desires and supported by them. They should make effective use of their fronts and tools for ideological education to encourage the self-education of the masses, and then stabilize their feelings and eliminate the various destabilizing factors.

Third, the basic orientation for the development of China's political system requires trade unions, the CYL, and women's organizations to become the important channel of social democracy. One of the three basic demands on developing the superiority of the socialist system as put forward by Comrade Deng Xiaoping is to create democracy at a higher level and with more realism than that in capitalist countries. This shows that further development of socialist democracy has always been the basic orientation for the development of China's political system. Mass organizations constitute an important part of China's political system and also an important

channel of social democracy. The masses participate in social administration not only through state organs but also through their own organizations. Thanks to the gradual improvement of democracy and the legal system in China, social democracy has also notably improved. In such conditions, the organizational systems and work procedures of trade unions, the CYL, and women's organizations should all the more reflect the characteristics of democracy, through whose channels the people they have contacts with participate in and discuss state and government affairs and exercise democratic supervision, should be more unobstructed, and their specific activities and work methods should be more helpful in encouraging and attracting the masses to participate in the administration of state and social activities. In this way, through the activities of mass organizations, we should enable the masses to personally feel that their democratic rights are protected and respected.

Fourth, changes in China's social class and strata require that the realm of the activities of trade unions, the CYL, and women's organizations be expanded. Judging from the provincial situation, the current layout and work pattern of our trade unions, the CYL, and women's organizations took shape roughly after the socialist transformation was completed in 1956. Socialist labor collectives are the major realms of their activities and members of socialist collective units are their major members. After more than 10 years of reform and opening up, an important change has taken place in our social structure, the characteristics of the various strata have become more prominent, and the workers contingents (of private enterprises and the enterprises in the three forms of ventures) other than those of state and collective enterprises and self-employed laborers have emerged. In rural areas, peasants have begun to possess some means of production. Meanwhile, following the promotion of the coordination of industrial and agricultural production with foreign trade and the development of township enterprises, many peasants, in essence, have become career workers. This requires that in view of our current coexistence of the various sectors of the economy, trade unions, the CYL, and women's organizations, taking advantage of the occupation, age, and sex of their members, extend mass organizations and mass work to the enterprises other than state and collective ones and to self-employed laborers. It also requires that trade unions, the CYL, and women's organizations change their traditional work methods and work habits and coordinate their activities and work methods with the current production and life of the masses. In this way, they should manifest the characteristics of mass organizations that are broadly representative and improve the efficiency of their mass work.

Fifth, the interest adjustment brought about by reform and opening up needs the endeavor of trade unions, the CYL, and women's organizations to strengthen their functions of guiding and regulating interests. In a socialist country the people's interests are generally identical. However, because of differences in society,

various contradictions between the people and special interests also exist. In the process of reform and opening up, the special interests may change and shift, and thus the contradictions stemming from the changes and shifts may become prominent. For instance, because diverse economic sectors coexist, there will certainly be the subject of the diversification of interests, and each sector will set forth its respective demands on interest distribution. Because social conditions are different in regions, trades, and professions under the present system, there must be unreasonable gaps in interest distribution, and these gaps will become the unfair distribution with which the masses are concerned. Owing to the different priorities and the different degree of dynamics of the layout of reform and opening up, there must be contradictions between the interests of different strata and different masses. Trade unions, the CYL, and women's organizations embrace almost all different strata in society and the masses with all different social conditions, and thus can obtain a relatively accurate understanding of the different demands on interests of the masses. Therefore, in the process of the adjustment and changes of interests, these organizations should give full play to their role as the source of information and the link of regulation. On the one hand, when the overall interest conflicts with the special interest of the masses, these organizations should guide the masses to give consideration to the overall situation through activities and education easily accepted by the masses. On the other hand, when the legitimate interests of the masses are infringed upon, these organizations should, through organization, oppose and check policymaking motions and management behaviors that infringe upon the legitimate interests of the masses.

Sixth, mass organizations should have a clear characteristic of mass participation, and this requires the trade unions, the CYL, and women's organizations to firmly take root among the masses. During the new historical period, trade unions, the CYL, and women's organizations should particularly pay attention to the characteristic of mass participation and should maintain close ties with the masses they represent. To this end, such organizations must further overcome the tendency of serving as administrative departments, should gear their work to the masses, and should strive to serve the masses. Such organizations must pay equal attention to the common task of the whole people and the special task of the masses they represent and should manifest the characteristics of mass organizations even more clearly. Such organizations must focus their work on the hot issues with which the masses are concerned in order to make the activities of trade unions, the CYL, and women's organizations more attractive to the masses. Such organizations must try their best to help the masses solve difficulties in production and livelihood from the angles of showing concern for, cherishing, respecting, and understanding the masses in order to make the organizations truly become the homes of workers, youths, and women.

2. Raising the Degree of Party Organizations' Attention to Mass Work and Actually Placing Mass Work in a Proper Position Are the Key to Strengthening and Improving Party Leadership Over Trade Unions, the CYL, and Women's Organizations

Whether we can strengthen and improve party leadership over the trade unions, the CYL, and women's work is decided by the degree of party committees' attention to trade unions, the CYL, women's organizations and by the party committees' endeavor of placing trade unions, the CYL, and women's work in an important position. Therefore, we are required to enhance the understanding of the position and role of trade unions, the CYL, and women's organizations, and should actually bring the work of trade unions, the CYL, and women's organizations into line with the party's mass work in the fields of leadership vision, coordination of forces, work content, and the scope of activities.

First, we should accurately handle the relationship between the central work of the party and the work for the masses; and realistically put the work of trade unions, the CYL, and women's organizations into the work pattern of party committees. Viewing the fundamental objective as well as the internal relationship, we know that the work of the party is identical to the work for the masses. The central work of the party at any period seeks benefits for the masses and involves the way to mobilize and organize the masses to fulfill this purpose. The work for the masses serves the realization of the central task of the party and even involves at least four meanings. On the meaning of relying on the masses: To realize this, we should principally rely on party organizations at various levels to define firmly the fundamental purpose of serving the people wholeheartedly, and conscientiously implement the mass line of "doing everything for the masses and relying on the masses to do everything," and the mass line of "from the masses and to the masses." On the meaning of uniting with the masses: To realize this, we should principally rely on what the party advocates, particularly the line, principles, and policies of the party, to really help the masses seek their fundamental interests. Only by so doing will we enjoy the people's support and fall in with their wishes. On the meaning of leading the masses: To realize this, we should principally make party organizations at various levels and Communist Party members be honest and well self-disciplined, diligently work for the people, wage an arduous struggle, and make selfless sacrifice; and bring their role as a fighting force and their exemplary vanguard role into play in the course of reform and construction. We should also rely on the party to keep close contact with and to ceaselessly strengthen and improve leadership over the trade unions, the CYL, and women's organizations; and bring into play their role as a bridge and a link to turn the will of the party into the conscious action of the people at various social strata. On the meaning of protecting the masses: To realize this, we should principally rely on the leadership of the party to apply the people's democratic dictatorship to resolutely attack the enemy minority, protect the majority of

the people's immediate interests, and support and guarantee the democratic rights and interests and the legal rights and benefits of the people at various social strata. To understand the pattern and the content of the mass work of the party from these four aspects, we will easily know that strengthening and improving the party's leadership over the work of trade unions, the CYL, and women's organizations and bringing their functions into play is an extremely important aspect of the mass work pattern of the party and a component of the mass work of the party. How can we accurately handle the relationship between the central work of the party and the work for the masses and put the work of trade unions, the CYL, and women's organizations in a right position? We have to grasp the work in three aspects. First, we should bring the work of these organizations in line with the party committee work responsibility system. Second, we should bring cadres of these organizations in line with selecting, cultivating, and exchanging party and government cadres. Third, we should bring the procedures through which trade unions, the CYL, and women's organizations solve problems in line with the programs that party committees discuss and handle affairs.

Second, we should accurately handle the relationship between the unified leadership of the party and the independent and autonomous work of trade unions, the CYL, and women's organizations; and realistically bring into play these organizations' enthusiasm and initiative. Party leadership over mass organizations must be different from the leadership relations within party organizations and from the leadership method of the political organizations. We should scientifically coordinate unified leadership with independent and autonomous work. First, the party must not weaken for a moment, but strengthen its leadership over trade unions, the CYL, and women's organizations. Persisting in the party's unified leadership over trade unions, the CYL, and women's organizations is an important part of party leadership over the state. Trade unions, the CYL, and women's organizations are key components of the system of the party's leadership over the state and social affairs in terms of their positions and functions, as well as key links to better display the party's role as the core of leadership. It is certain that the failure to lead the work of trade unions, the CYL, and women's organizations will objectively weaken party leadership over the state. Under such a situation, there will be no fundamental guarantee for the development of trade unions, the CYL, and women's organizations. Second, we should support trade unions, the CYL, and women's organizations to carry out their work independently and with initiative under the leadership of the party, and according to law and their regulations. This is an essential condition for the existence and development of mass organizations as well as a basic way for exercising their functions and displaying their roles. If we equate the functions and activities of mass organizations with those of party organizations, impose too many or overly rigid restrictions on them, and exercise too much intervention in them, the characteristics of mass organizations will be

obliterated, the development of their initiative will be hindered, "none of their members will have sense of responsibility and hold the responsibility," and they will "attempt everything but accomplish nothing." As a result, not only will mass organizations be weakened, but also the combat strength of party organizations themselves will be reduced. Therefore, when exercising leadership over the work of trade unions, the CYL, and women's organizations, party committees should attach importance to, but not take the place of, mass organizations; exercise leadership, but not intervene in, their work; support it but not take it over; and actively encourage trade unions, the CYL, and women's organizations to work in an independent and creative manner so that party leadership over the work of trade unions, the CYL, and women's organizations will be embodied through the work of these organizations that is carried out more actively, vigorously, and effectively. Third, the party should exercise political leadership over the work of trade unions, the CYL, and women's organizations. The purpose of our emphasis on the need to uphold the party's unified leadership is to indicate the direction along which trade unions, the CYL, and women's organizations should advance so that they will adhere to correct work principles, avoid the limitations imposed by the characteristics of their environment and organizations, and work in coordination with other political organizations in the endeavor to fulfill the major tasks of socialist construction. Therefore, as far as local party committees are concerned, their leadership over the work of trade unions, the CYL, and women's organizations should be embodied particularly in political orientation and political principles. This chiefly means that based on the party's line, principles, and policies, they should decide on the principles that trade unions, the CYL, and women's organizations should follow in performing their work; that they should give guidance for trade unions, the CYL, and women's organizations to make policy decisions compatible with the party's line and the desires of the masses concerning the major issues on which party committees at higher levels have not provided clear stipulations and which have a bearing on their interests; that they should help trade unions, the CYL, and women's organizations formulate and implement the plans for mass activities that involve or have an importance influence on the entire situation; that they should support trade unions, CYL, and women's organizations to implement the work arrangements and pertinent instructions and decisions made by the trade unions, the CYL, and women's organizations at higher levels for a certain period of time and to decide on the major agenda of trade unions, the CYL, and women's congresses at the same level and the sessions of their committees (executive committees); that they should study and solve the problems of the masses with whom trade unions, the CYL, and women's organizations have contacts—problems that have a bearing on the entire situation, problems that will become trends, and ideological problems; and that they should coordinate trade unions, the CYL, and women's organizations with those at higher levels, with party and government departments

at the corresponding level, and with trade unions, the CYL, and women's organizations at the corresponding level. Of course, as Lenin said: "It will not work to mechanically separate political issues from organizational issues. It is people who implement policies...and it is impossible to separate organizational issues from political issues." (*The Collected Works of Lenin*, Vol 33, p 280) Political leadership cannot be separated from organizational leadership. Party committees should exert the necessary influence on trade unions, the CYL, and women's organizations in their selection, deployment, and training of personnel. However, when selecting or recommending the candidates for leading cadres of mass organizations, party committees should adopt the method of persuasion or explain their reasons, proceed strictly according to the prescribed procedures, and never prevent the members of mass organizations from expressing their views.

Third, we should correctly handle the relationship between the endeavor to strengthen leadership and the endeavor to improve leadership and conscientiously raise the party's level of leadership over mass work. Strengthening leadership and improving leadership constitute a complete guiding thought. To strengthen requires improvement, of which the purpose is to strengthen. These two endeavors are mutually supplementary. They cannot be separated, still less set against each other. We should not emphasize strengthening in one period and improvement in another. Instead, we should consider how to strengthen leadership while making improvement of it and consider how to improve it while strengthening it. To dialectically handle the relationship between strengthening leadership and improving leadership, and to ceaselessly improve the party's leadership over mass work, we should first strengthen the theoretical and practical study of the work of trade unions, CYL, and women's organizations. Strengthening and improving party leadership over the work of these organizations involves many major theoretical and practical work tasks. For instance, how to grasp the general law governing mass work and the special law governing the work of trade unions, CYL, and women's organizations to gain the initiative in leading the work of these organizations; how to strengthen the construction of leading bodies and cadres contingents of these organizations to make these organizations help the party reserve outstanding cadres; and how to help these organizations solidly solve the problems that must be solved, but cannot be solved by themselves, and to provide them with a fine and smooth working environment. By studying and solving these theoretical and practical problems, we should ceaselessly improve party committee leadership over the work of these organizations. Second, we should make efforts to ensure that the party should stress reality and real efficiency in exercising its leadership over the work of these organizations. The specific form and method of the party's leadership over the work of these organizations should gradually be formulated and improved in the course of practice. The formulation and improvement of

the leadership form and method should go through a continuous procedure. Just as the ways to handle the affairs in other aspects cannot be rigid, it is impossible to have a rigid pattern that is suitable to the work in all aspects. Along with the changes in conditions, situations, and tasks, the party should relatively change its specific leadership form. Therefore, the local party committees should often study the relationship between the tasks of the party and the work of mass organizations, analyze the new situation ahead of the mass work, and guide the work of these organizations from a strategically advantageous position. Third, in guiding the work of mass organizations, we should fully think over the special characteristics of these organizations' roles, functions, and activities. Trade unions, CYL organizations, and women's federations are mass organizations under the leadership of the party. They have the common features of being related to the masses. Their general functions are identical in the political system and various social activities. But trade unions, CYL organizations, and women's federations have different organizational structures, as do the spheres for their activities and their work forms. Each has its own duty and limits of authority. To upgrade effectively party committee leadership over mass organizations, we must fully think over the relationship and the difference between the common features and the individual characters of these organizations, think over the specific characteristics of these organizations, and be good at applying the method of linking the general call with individual guidance. There must be both general tasks and different requirements for defining the tasks and the principles for the work of these organizations at any period. We should focus our efforts on examining and guiding their work and activities as defined according to their special characteristics. The basic line of "one focus and two basic points" is a theory summarized by linking scientific socialism with the actual conditions of our country, a program of action to build socialism with Chinese characteristics, a general principle and a general policy that we must abide by in doing everything, and where the will and action of the people lies. Only when the work of these organizations closely is submissive to and serves the basic line of the party will it have clear-cut characteristics of the times and be full of vitality and achievements.

First, we should regard the party's basic line as the common political basis of the trade union, CYL, and women's organizations. 1) We must make the trade union, CYL, and women's organizations important fronts for consciously receiving and safeguarding the party's leadership. In line with the practice of our province, the trade union, CYL, and women's organizations must consciously receive and safeguard the party's leadership, guarantee that they will place their organizations under the party's leadership under any circumstances, prevent the occurrence of any trends that depart from the party's leadership, and maintain a high degree of political unity with the Central Committee because these are the preconditions for them to uphold the correct political orientation and to display their role

correctly; they must organizationally uphold the principle of receiving dual leadership from the party committees of their corresponding level and the trade union, CYL, and women's organizations of the higher level with the party committees of the corresponding level playing a dominant role, and strive to ask the party committees to determine the orientation and to examine the major issues. It is necessary to guarantee that the advocacy of the party will be translated into the will and action of the broad masses of workers, youths, and women through the party organizational activities of the trade union, CYL, and women's organizations and the exemplary role of party members, and enable them to become important fronts for safeguarding political stability. 2) We must make the trade union, CYL, and women's organizations become important fronts for socialist education. They should further display a functional role as communist schools, closely combine the ongoing education on patriotism, collectivism, socialism and the basic line and basic national conditions, and give prominence to the aspect of opposing "peaceful evolution." It is necessary to help the masses theoretically understand the advantages of the socialist system and the historical trend that socialism will surely triumph over capitalism, and strengthen the socialism conviction of their own organizations.

Second, we should lead the major activities of the trade union, CYL, and women's organizations to economic construction and fully mobilize the enthusiasm and creativity of the masses of people in joining reforms and construction. Taking economic construction as the central task is the key aspect of the party's basic line; and pushing the economy forward is the fundamental guarantee for enabling us to win a victory in opposing "peaceful evolution." The starting point and the strong point of the trade union, CYL and women's organizations should be mobilizing the enthusiasm and creativity of the broad masses of workers, youth, and women, and fully display their role as the main forces and shock teams, and of holding up half the sky. They should pay attention to studying and mastering the party's major policy decisions for economic work. This is the important premise for guaranteeing that the trade union, CYL, and women's organizations better perform their duties and display their role in the main battlefield of economic construction. As far as the practices of our province are concerned, the most important is to lead the trade union, CYL, and women's organizations to focus their attention on the study and mastery of policy decisions from two levels, one of which is to pay attention to studying and mastering a series of major principles and policies concerning economic development defined since the third plenary session of the 13th Central Committee.

Third, we should support the trade union, CYL, and women's organizations to safeguard the interests of the masses which they represent, and strive to strengthen their cohesive role in the masses. The most important condition for the trade union, CYL, and women's organizations to realistically serve the party's basic line is to

make them have a stronger cohesion and influence. The key to raising their cohesive role is to make them better safeguard the specific interests of the masses they represent while safeguarding the overall interests of the people throughout the country. This is the basic functions of the trade union, CYL, and women's organizations as well as an important aspect for improving leadership over mass work. We should support their participation in the consultation of major political affairs of the state on behalf of the masses with whom they have established ties, and to safeguard the legal rights and interests of the masses in line with law. At the same time, the activities of trade union, CYL, and women's organizations must have clear-cut characteristics of the masses.

Briefs Noncommunists on Plenum

SK1712121591 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 16 Dec 91

[Text] The Heilongjiang CPC Committee convened a consultative conference attended by nonparty figures. Sun Weiben, secretary of the provincial party committee, reported on the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and on the basic ideological ways for the provincial party committee to implement the CPC Central Committee's decision on strengthening agricultural and rural work.

He said: Stabilizing policies and grain production is of primary importance in making the people become comparatively well off. Making structural readjustment and increasing economic results is the basic way to realize this target. Relying on science, technology, and education to rejuvenate agriculture is the fundamental way to achieve this target. Deepening rural reform and perfecting the (operational) mechanism is an important guarantee for realizing the target. Coordinating grain and stock production with the development of town and township enterprises, coordinating trade with industry and agriculture, coordinating agriculture with science and education, and coordinating urban areas with rural ones is the key measure for promoting the development of the county-level economy.

The responsible persons of various democratic parties and various mass organizations and nonparty figures participating in the conference maintained: The provincial party committee set forth five basic ideological ways after comprehensively summing up the province's rural work. The implementation of these five ideological ways will greatly promote the rural economic work of the province.

The participants also made suggestions on rejuvenating agricultural production with science, technology, and education; on developing town and township enterprises; and on family planning work.

Wang Zhao, chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; Zhang Li; Huang Feng; Fu Shiyang; and (Chen

Wenzhi), vice chairman of the provincial CPPCC Committee, attended the conference.

Attends People's Congress Meeting

SK1912032891 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 17 Dec 91

[Text] The 24th Standing Committee meeting of the seventh provincial people's congress was held in Harbin on 17 December. The meeting was presided over by Sun Weiben, chairman of the provincial People's Congress Standing Committee.

At the meeting, Sun Weiben, chairman of the provincial People's Congress Standing Committee, relayed the guidelines of the eighth plenary session of the 13th Central Committee. The committee members also conscientiously heard an explanation given by Yang Guojun, director of the provincial Overseas Chinese Affairs Office, on the Heilongjiang Provincial method on implementing the PRC's law on protecting the rights and interests of returned Overseas Chinese and relatives of Overseas Chinese; a report given by Liu Gongping, secretary general of the provincial government, on the province's 1991 foreign economic and trade situation; a report given by Cai Qi, deputy secretary general of the provincial government, on the province's progress in improving random levy of fares, fines, and forced donations; a report given by (Xie Jianwu), director of the provincial Township Enterprise Bureau, on the provincial development situation of township enterprises; a report given by Zhao Yuncheng, director of the provincial Animal Husbandry Bureau, on the provincial animal husbandry work; a report given by (Wang Hongkui), vice president of the provincial People's Court, on the provincial People's Courts' implementation of the PRC's administrative procedure law; and a report given by (Liu Kun), director of the office of the housing reform leading group of the provincial government, on our province's situation in reforming the housing system.

In the report on the provincial progress of improving the random levy of fares, fines, and forced donations, Cai Qi, deputy secretary of the provincial government, analyzed the province's progress of improving the random levy of fares, fines, and forced donations. Judging from the general situation, through a year of consolidation work, the truth of the province's collection of fares, fines, and forced donations has been basically discovered; a number of items of this category have been conscientiously checked; and the management, supervision, and inspection systems have been formulated. In his report, Cai Qi pointed out: There are still some problems in improving the random levy of fares, fines, and forced donations which are mainly manifested in the fact that the overburdened problems of enterprises have not been fundamentally solved and the problems on the random levy of fares of various descriptions are very prominent. We have lacked effective measures for solving the in-depth problems on the random levy of fares, fines, and forced donations. In this connection, the next step of

work is to strengthen measures; adopt both stopgap and radical measures; strictly observe policies; and do a good job in the examination, verification, and handling work. It is necessary to further investigate and handle the problems on the random levy of fares, fines and forced donations which the social sector and the masses have strong complaints, realistically attend to the establishment of regulations and systems, and implement them in places where they are needed.

Wang Jun, He Shoulun, Chen Liemin, Zhang Ruoxian, Wang Yusheng, An Zhendong, Qi Guiyuan, Ji Hua, Du Dianwu, and Qu Shaowen, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting. Vice Governor Dai Moan attended the meeting as an observer.

Heilongjiang Overseas Chinese Draft Method Lauded

SK1812124091 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 17 Dec 91

[Text] At the 24th Standing Committee of the seventh provincial people's congress held on 17 December, Yang Guojun, director of the provincial Overseas Chinese Affairs Office, explained the Heilongjiang provincial draft method on the implementation of the PRC's law on protecting the rights and interests of returned Overseas Chinese and relatives of Overseas Chinese. He submitted this method to the provincial People's Congress Standing Committee meeting for examination.

Our province is the second in the whole country to formulate a method to implement the PRC's law on protecting the rights and interests of returned Overseas Chinese and relatives of Overseas Chinese. Our province has more than 50,000 returned Overseas Chinese, relatives of Overseas Chinese, compatriots from Hong Kong and Macao, relatives of compatriots from Hong Kong and Macao, and family members of foreigners of Chinese origin, and more than 110,000 people who have overseas contacts. Although our province is not the home place of most Overseas Chinese, the people with overseas contacts are an important force in our province's four modernization drive. They have done much to win over relatives and friends residing abroad to engage in economic and trade activities, scientific and technological cooperation, and cultural exchange, and to run public welfare undertakings. As of the end of last year, 193 out of all the joint, cooperative, and foreign-funded enterprises in our province were funded by Overseas Chinese. We brought in more than \$21 million in foreign capital, established 63 enterprises with investment from relatives of Overseas Chinese, received 141 items of material goods donated by compatriots residing abroad, with a total value of 6.92 million yuan renminbi. Along with the implementation of the PRC's law on protecting the rights and interests of returned Overseas Chinese and relatives of Overseas Chinese, the positive role of returned Overseas Chinese and relatives of Overseas Chinese will be brought into further play in our province. Therefore, the formulation of the Heilongjiang

provincial method for implementing the PRC's law on protecting the rights and interests of returned Overseas Chinese and relatives of Overseas Chinese is one of the province's important local laws formulated this year. It is of great significance in developing our province's economy.

Jilin's He Zhukang Hears Opinions on 1992 Work

*SK1912020191 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 16 Dec 91*

[Excerpts] The provincial party committee held a forum today to hear opinions and suggestions of personalities from various democratic parties and the Federation of Industry and Commerce, and nonparty personalities on our province's work arrangements for next year. Leading comrades of the provincial party committee and the provincial government, including He Zhukang, Wang Zhongyu, Gu Changchun, Zhang Dejiang, and Ren Junjie attended the forum. Zhang Tienan, the provincial party committee's director of the United Front Work Department, also attended the forum.

At the forum, Comrade He Zhukang first introduced this year's economic development situation in our province and the basic ideas of the provincial party committee and the provincial government on next year's work plan. He said: This year our province's economy has continued to develop in a positive direction as we worked to overcome difficulties. In agriculture, this year we witnessed the second bumper harvest in history. Industrial production has continued to increase at a steady pace; the urban and rural markets have been brisk, and commodity prices have been stable; system reform, such as the distribution system of enterprises and the housing system, is being steadily implemented, and positive results have been achieved. Party building and ideological and political work have been further strengthened; a stable and united political situation has noticeably developed throughout the entire province. The basic ideas for next year's work are to deeply implement the guidelines of the eighth plenary session of the 13th party Central Committee and the Central Work Conference, comprehensively implement the party's basic line, firmly grasp economic construction as a central task, deepen reforms, expand opening up, strengthen party building, display political advantages, promote a stable economic development, and greet the convocation of the 14th party congress with outstanding achievements in building the two civilizations.

More than 30 democratic personages attending the forum unanimously agreed to the basic ideas of next year's work proposed by the provincial party committee and the provincial government. Delegates from the provincial committees of the Revolutionary Committee of the Chinese Kuomintang, the China Democratic National Construction Association, the China Association for Promoting Democracy, the Chinese Peasants and Workers' Democratic Party, the Jiusan Society, and the Taiwan Democratic Self-government League, and

the Federation of the Industry and Commerce, and nonparty delegates, including Xing Shaopeng, Zhu Jinghang, (Zhao Ruyi), Yan Hongchen, Luo Yuejia, Li Guotai, Li Hongchang, (Chen Fenji), and Chen Bingcong, gave speeches respectively. They put forward many good ideas and suggestions. They maintained: Next year is the second year for implementing the Eighth Five-Year Plan. To successfully fulfill the scheduled tasks, we must make further strides forward in every field of work. We must continuously strengthen and improve the party's leadership, strengthen and perfect the people's congress system, further consolidate the political system of multiparty cooperation and democratic consultation, and more consciously shift the focus of economic work to the path of relying on scientific progress and raising the quality of workers. They proposed continued efforts be made to strengthen scientific and technological educational work, give prominence to vocational and technical education, and grasp them conscientiously. In the rural areas, it is necessary to train a great batch of scientific and technological demonstration households in an effort to bring along all peasants to extensively study science and technology, to raise their own quality, and to develop production by relying on science and technology. Strenuous efforts should be made to develop diversified undertakings and township enterprises and to turn them into the main body of the rural medium-sized and small enterprises. [passage omitted]

The participants stressed: At present, we must pay special attention to adopting measures for checking feudalism and superstition, and gambling activities, exert strenuous efforts to solve the problems of random levy of fares, fines and forced donations, and create a favorable environment for building the two civilizations.

He Zhukang and other leading Comrades expressed the hope that the provincial party committee and the provincial government would conscientiously study and accept their opinions and suggestions, that they would maintain close cooperation with various democratic parties, the Federation of Industry and Commerce, and nonparty personalities, and that they would successfully carry out our province's work next year through joint efforts.

Northwest Region

Zhang Boxing on Building Leading Bodies, Style

*HK1712111091 Xian Shaanxi People's Radio
Network in Mandarin 0030 GMT 16 Dec 91*

[Text] The provincial conference on exchanging ideological and style building experiences among leading bodies opened in Xian yesterday.

Zhang Boxing, provincial party committee secretary, attended and delivered a speech. Zhang Boxing pointed out in his speech: Building leading bodies is the core of party and power organ building, whereas ideological and style building is the essence of building leading bodies.

Therefore, we must fully understand both the importance and significance of ideological and style building of leading bodies from the high political plane of opposing peaceful evolution, and must strengthen leadership; implement measures to the letter; and continually push ahead with ideological and style building of leading bodies at all levels by centering on strengthening confidence and other key aspects.

Zhang Boxing stated: At present, the basic aim of strengthening leading bodies' ideological and style building is to build leading bodies at all levels into cores of leadership characterized by a firm political stand, firm ideological unity, a fine style, enhanced solidarity, coordination and purity, and high efficiency; and into staunch cores capable of exercising leadership in building socialism with salient Chinese characteristics and opposing peaceful evolution.

Zhang Boxing noted: At present, what the masses resent most are the following two things:

1. Some leading cadres seek private gains by abusing their powers, pursue personal privileges, squander and waste state or collective property, violate laws or discipline, embezzle public funds, give or accept bribes, live a morally degenerate life, and so on.

2. Some leading cadres stand high above the masses, do only superficial work, adopt an irresponsible attitude, seek fame and status, practice fraud, resort to deception, and practice bureaucratism and formalism. In view of these unhealthy tendencies toward divorce from the masses, it is all the more necessary constantly to conduct ideological education on wholeheartedly serving the people among leading cadres at all levels, to enable them to build a strong ideological defense. We must also penalize corruption, advocate clean government, strictly manage the party, severely deal with discipline-violation and law-violation cases, resolutely remove corrupt elements from within our ranks, establish a set of systems conducive to forging closer ties with the masses, resisting corruption, and preventing a change in our political colors.

Speaking of enhancing solidarity within leading bodies, Zhang Boxing asserted: On the one hand, we must educate our leading cadres to understand the great importance of enhancing solidarity within leading bodies; on the other hand, leading bodies and leading cadres must actively carry out ideological struggles and resolutely oppose and overcome individualism, sectarianism, and all sorts of unhealthy tendencies violating or undermining democratic centralism. Regarding leading bodies fraught with serious problems, we must conduct ideological and organizational rectifications in a timely and unswerving manner, and resolutely remove from office those who have incorrect ideologies and undermine solidarity within leading bodies.

Zhang Boxing called on party committees at all levels to heighten their consciousness; strengthen their sense of responsibility; take into account overall interests; take

leading body building, especially ideological and style building of leading bodies, as an important task; earnestly push forward work in this regard; further improve cadres' organization work; properly handle relations between organizational building on the one hand and ideological and style building on the other; and integrate ideological and style building with the training, selection, promotion, and appointment of cadres.

An Qi Yuan, provincial party committee deputy secretary, presided over yesterday's meeting.

Bai Qingcai Urges Progress in Housing Reform

*HK1812100791 Xian Shaanxi People's Radio
Network in Mandarin 0030 GMT 17 Dec 91*

[Excerpts] In a speech yesterday at the provincial work meeting on urban housing reform, Governor Bai Qingcai said: We must arrive at a clear understanding of the situation and firm up our confidence in trying to carry out housing reform comprehensively.

The five-day meeting devoted much time to discussing an overall program for Shaanxi's housing reform and set forth the relevant specific tasks for the next two years. [passage omitted]

Governor Bai Qingcai made an important speech at yesterday's summing-up meeting. He said: Through over 10 years of pilot project work, more and more people realize the necessity and urgency of housing reform. The major climate for overall housing reform has taken shape. We must lose no time in pushing reform forward, taking advantage of the situation and trying to gain the initiative.

He was positive about the province's overall program for housing reform, saying that the program is vigorous, reliable, and feasible [words indistinct]. He called on all localities across the province to immediately carry out the reform in a meticulous way.

He stressed: It is necessary to truly strengthen leadership over the housing reform. Leading cadres at all levels, principal leaders in particular, should take the lead in becoming involved in the housing reform. We must draw up a proper plan to carry out the reform in an orderly way and coordinate various relevant policies. It is essential to conduct propaganda about housing reform to enlist popular support.

He went on: There is a world of difference between the living spaces of particular urban residents. This shows that housing reform will involve many difficulties. But so long as we refuse to dodge the difficulties, meticulously study the problems, plan the work carefully, and show boldness in exploring new ways, we will certainly make progress and create a new formula with Chinese characteristics for solving housing problems in urban areas.

'Agricultural Bases' Boom in Shaanxi Province

OW1912153291 Beijing XINHUA in English
1332 GMT 19 Dec 91

[Text] Xian, December 19 (XINHUA)—Northwest China's Shaanxi Province has established over 40 specialized agricultural bases as part of its comprehensive agricultural development.

Over the past five years, this agricultural province has put forth great effort to develop the production of certain agricultural products, including grain, cotton, fruits, tea and vegetables.

In order to take full advantage of production the province has established wheat production bases in Pucheng and Baoji Counties, cotton bases in Dali and Heyang Counties, a kiwi fruit base in Meixian County, and a mushroom base in Liuba County.

In addition, the number of processing plants and trade units have increased along with the increased production of the agricultural bases. As a result, the bases have evolved from simple agricultural producers into complex agricultural enterprises and trade companies.

Democratic League Condemns Independence Moves

OW1612234891 Beijing XINHUA Domestic Service
in Chinese 1440 GMT 16 Dec 91

[Text] Beijing, 16 Dec (XINHUA)—The Fifth Plenary Session of the Fourth Central Committee of the Taiwan Democratic Self-Government League [TDSGL] ended in Beijing this afternoon after a six-day session. The attendees studied the guidelines in the speech which Jiang Zemin, general secretary of the CPC Central Committee, gave on 1 July; and the guidelines set forth by the central work conference of the 13th CPC Central Committee and its Eighth Plenary Session. They also studied how to build a stronger TDSGL and how TDSGL members can play a more effective part in state affairs and in providing democratic supervision. They also examined the league's operation in 1991 and next year's projects.

The resolution adopted by the session points out: The TDSGL should build itself into a stronger league and into a political party which accepts the leadership of the CPC, closely cooperates with it, and works hard to build China into a Chinese-style socialist modern power and to achieve national reunification.

The session examined and approved the work report given by Cai Zimin, chairman of the Presidium of the TDSGL Central Committee, on behalf of its Standing Committee.

The session maintained that in 1991 the TDSGL has been actively involved in political affairs and has made positive contributions to maintaining China's political, economic, and social stability, as well as to promoting socialist modernization; and that it has accomplished projects facilitating national reunification.

The session pointed out: The policy recently set by the CPC Central Committee on improving large and medium-sized state enterprises, improving agricultural production, and building a modern socialist countryside is a very important policy. The TDSGL will therefore muster all its strength to contribute positively to the implementation of this guideline and greet the convocation of the 14th National CPC Congress and the Fifth TDSGL Congress.

The session maintained: In 1991, relations between the two sides of the Taiwan Strait continued to develop in a way conducive to peaceful reunification. But Taiwan authorities continue to impose all types of barriers obstructing the development of relations between the

two sides, intensify their "flexible diplomacy," and push their "one country, two governments" policy. On the other hand, the small number of "Taiwan independence" advocates have flagrantly proceeded to divide the country and the nation. The TDSGL firmly upholds the position of safeguarding the fundamental interests of all the Chinese people, including countrymen on Taiwan, and firmly oppose and strongly condemn any scheme to separate Taiwan from the motherland. The TDSGL calls on the Kuomintang authorities in Taiwan to act as quickly as possible to establish direct shipping, postal, and trade ties between the two sides; expand bidirectional exchanges; and negotiate with the CPC at an early date to discuss peaceful reunification of the motherland. As always, the TDSGL will intensify its ties with Taiwan countrymen in Taiwan and overseas and will work actively to promote all types of exchanges between the two sides.

The session reelected Cai Zimin to serve as chairman of the Presidium of the TDSGL Central Committee; and elected Zhang Kehui [1728 0344 6540] as member of the TDSGL Central Committee and member of its Standing Committee.

ACFTC Council Meets in Beijing 18 Dec

OW1812152291 Beijing XINHUA in English
1355 GMT 18 Dec 91

[Text] Beijing, December 18 (XINHUA)—The second meeting of the Fourth Council of the All-China Federation of Taiwan Compatriots (ACFTC) opened here today.

Wan Shaofen, deputy head of the United Front Work Department of the Central Committee of the Communist Party of China (CPC), said at the meeting that ACFTC has made great achievements in enhancing contact with Taiwan compatriots both in Taiwan Island and abroad this year. He hoped that the federation would play an even bigger role in promoting contacts between the two sides of the Taiwan Strait in the future.

Zhang Kehui, president of ACFTC, said in his report at the opening of the meeting that ACFTC will continue to hold aloft the flag of patriotism and reunification of the motherland in the coming year. Zhang said that the federation will strongly oppose any attempts to separate Taiwan from the motherland.

Zhang pointed out that ACFTC will carry out several projects to enhance contacts between the two sides across the Strait, including promoting academic, cultural, and trade exchanges with Taiwan.

SEF, ARATS 'Need Not Set Up Branches'*OW2012082091 Taipei CNA in English 0752 GMT
20 Dec 91*

[Text] Taipei, Dec. 20 (CNA)—Taipei's Straits Exchange Foundation (SEF) has reached an understanding with Peking's newly-established Association for Relations Across the Taiwan Straits (ARATS) that the two organizations need not set up branches in each other's areas for the moment, a ranking official reported Thursday.

Huang Kun-hui, chairman of the Mainland Affairs Council (MAC), told a weekly cabinet meeting that SEF, which is under MAC's supervision, will try to persuade ARATS to first concentrate its energies on several practical problems arising from increased cross-strait civilian exchanges, such as combatting crime in the Strait, verifying documents and resolving trade disputes.

Huang said that MAC welcomes the founding of ARATS to facilitate cross-strait exchanges and to benefit the people on both sides of the Strait. He hoped Communist China will handle cross-strait relations in a pragmatic, reciprocal manner.

Official Sees Hong Kong 'Increasingly Important'*HK1912054091 Hong Kong SOUTH CHINA
MORNING POST in English 19 Dec 91 p 14*

[By Willy Wo-lap Lam in Taipei]

[Text] A senior Taiwan official has indicated Hong Kong will become more important to the Kuomintang stronghold, even after Taipei and Beijing have set up intermediary bodies to boost relations.

The vice-chairman of the cabinet-level Mainland Affairs Council, Dr. Ma Ying-jeou, also said in Taipei yesterday, the Government had contingency plans to maintain affiliated units in Hong Kong, including Chu Hai College, beyond 1997.

"Hong Kong is becoming increasingly important to us not just as an intermediary point for cross-Straits relations but on its own merits," he said.

He added Hong Kong's position would not be affected by the establishment in Beijing of the Association for Relations Across the Taiwan Strait (ARATS), which is Beijing's "quasi-official" body for expediting national reunification.

Dr. Ma reiterated Taipei's commitment to maintaining the branches of various governmental departments in Hong Kong even after 1997.

When asked about the status of the Taiwan-affiliated Chu Hai College, he said the Education Ministry was concerned about its future, and had "substitute plans to continue the college in Hong Kong."

The Government's top spokesman on mainland affairs said in the past few years, several Taiwan companies had set up branches in Singapore to tap the mainland market.

He said it was a good location because Taiwan subsidiaries were protected since Singapore had signed investment protection agreements with Beijing.

However, Dr. Ma denied that Taipei had plans to encourage companies to move their operations from Hong Kong to Singapore.

"Even though there is only five years left before 1997, there are more (Taiwan) companies setting up offices in Hong Kong than in Singapore," he said.

Dr. Ma said Taiwan may allow ARATS to set up a trade office in Taipei.

On Taiwan's relations with Mongolia, which is still officially referred to as "Outer Mongolia" and as a part of China, Dr. Ma said the Government would promote economic and cultural ties.

"We see no reason to reject overtures from Outer Mongolia for cultural and economic relations since these are in the interests of both sides," he said.

"However, the interchanges must be on a non-official, people-to-people basis, and at this point, these ties do not yet warrant our setting up a trade office in Outer Mongolia."

Also yesterday, Taipei's Interior Ministry said it would allow Chinese immigrants who marry Taiwan residents to settle in Taiwan from January.

The ministry said the Chinese spouses of Taiwanese could apply to emigrate to Taiwan. An annual quota of 240 Chinese will be enforced to prevent a flood of immigrants with priority being given to couples married before 1949.

The deputy director of the Bureau of Entry and Exit, Mr. Liu Peng-chun, said: "We will let mainland brides be reunited with their husbands on humanitarian grounds, but we do not encourage such marriages lest Taiwan's security be threatened."

Taiwan has restricted Chinese immigration since 1949, but more than three million Taiwanese have travelled to the mainland since Taiwan and China improved relations in 1987. Some have married Chinese on the mainland.

Latvian Foreign Minister Meets With Chien*OW1812104891 Taipei CNA in English 0745 GMT
18 Dec 91*

[Text] Taipei, Dec. 18 (CNA)—Latvian Foreign Minister Janis Jurkans said here Wednesday that the Republic of China will be represented in Latvia, and that the formal name of the Republic of China office in his country will be decided soon.

Jurkans made his remarks after meeting Foreign Affairs Minister Chien Fu [Frederick Chien] Tuesday evening.

Asked whether Latvia will join the new Commonwealth of Independent States, Jurkans said, "No."

Jurkans will meet with President Li Teng-hui Wednesday afternoon before leaving for home after a five-day visit.

Agreement Signed; Jurkans Departs

OW1912083691 Taipei CNA in English 0748 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—The Republic of China's [ROC] office in Riga, Latvia will be upgraded to a higher-level diplomatic mission.

Vice Foreign Minister John Chang and Latvian Foreign Minister Janis Jurkans signed an agreement Wednesday in Taipei to upgrade "the Republic of China Trade Mission in Latvia" to "the Republic of China Mission in Latvia."

Earlier in the afternoon, Jurkans called on President Li Teng-hui at the Presidential Office.

Lee extended congratulations to Jurkans on his nation's independence. He told Jurkans that although Latvia and the ROC are far apart geographically, they are close psychologically.

Jurkans expressed the hope that cooperation between the two countries will be further strengthened after the opening of the ROC mission in Latvia.

The Latvian minister left Taiwan Wednesday evening after a five-day visit.

Editorial Discusses Issue of Aid to Soviet Union

OW1912152291 Taipei CNA in English 1416 GMT
19 Dec 91

[Editorial published 19 December in EXPRESS NEWS, a CNA newspaper: "Moscow's Appeal for Economic Aid"]

[Text] Taipei, Dec. 19 (CNA)—Moscow is seeking economic assistance from Taiwan. Leniod Abalkin, head of the Institute of Economics of the Russian Academy of Sciences and a former economic advisor to Soviet President Mikhail Gorbachev, said in Taipei this week that "we hope to receive investment capital from Taiwan."

That the former Soviet Union needs international assistance to bail it out economically is now a well-known fact. It is, however, premature for any foreign country, including Taiwan, to consider capital investment there. Recent reports from Moscow indicate that food and fuel, rather than foreign capital, are what it needs urgently to address its economic problems. Half of its airports have been closed because of severe shortage of fuel, although it is an oil-producing country. Housewives stand in long

lines waiting to purchase grocery, only to find empty shelves in stores. Pessimistic reports even predict Soviet people starving or freezing to death this winter because of food and fuel shortages.

In addition to economic priorities, the political chaos in the former Soviet Union also makes foreign investments unlikely. With the creation of the Commonwealth of Independent States [CIS], the Soviet Union no longer exists. However, it is still not clear how the political system would work in the future—whether the CIS is going to be one country with a central government, or just a loose federation with each republic exercising sovereign rights and handling external affairs separately. Right now, a foreign businessman interested in investing in the Soviet Union does not even know which authorities to approach to discuss his plan, and what legal protection he would get for his money.

If and when these questions are answered, we believe it is a plausible idea for our businessmen to respond favorably to Moscow's request for capital investment. As political and economic order is reestablished in the former Soviet Union, it will represent a big market for our products, as well as a source of needed raw materials such as lumber and minerals.

Some students of modern Chinese history may argue economic assistance to the Russians on the ground that this is the nation that historically has taken way large pieces of land from China, and that as the founder of the world communist movement, it should be held responsible for what China is today.

While we cannot forget the past, we should care more about the future, in this case the future of China. Changes in the former Soviet Union, because of its previous role in the world communist movement, will inevitably have a profound impact on the Chinese Communist Party and the people on the mainland. If, through closer economic relations with the Russians, we can help them move toward political liberalization and free enterprise economy, we would be encouraging similar changes on the mainland. This will eventually help bring about a free, democratic and prosperous China—a goal we have [words indistinct] for decades.

Exchange Accord Signed With Russian University

OW1912093091 Taipei CNA in English 0821 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—Tamkang University signed an academic exchange agreement with the Russian Republic Far Eastern State University Wednesday in Taipei.

Louis R. Chow and Vladimir I. Kurilov, presidents of the two universities, signed the agreement on behalf of the two schools.

Chow said that the academic exchange program will provide a better chance for the professors and students of

both universities to learn about the politics, economics and culture of each other's country.

If everything goes smoothly, Chow said the program will begin next year.

Europeans To Reduce Taiwan Textile Quota

*OW2012005291 Taipei CNA in English 1442 GMT
19 Dec 91*

[Text] Brussels, Dec. 18 (CNA)—The European Community will reduce by 5 percent its 1992 textiles quotas set aside for the Republic of China on Taiwan in a move to protest against high tariff imposed on spirits from the EC members, the EC Executive Commission sources said Wednesday.

The decision was endorsed at a meeting of the EC Council of Finance Ministers in Brussels at the request of the EC executive body.

It claimed that Taipei had practised a dual standard of import duty on spirits, with EC products being taxed much higher than those from the United States.

The EC Commission said this "discriminatory" tariff was inadmissible to the trade principle of the General Agreement on Tariffs and Trade (GATT).

The sources said textile imports from Taiwan next year would be cut by 5 percent from the adjusted 1992 quota, adding that the EC retaliatory measure will be lifted whenever the tariff disputes are over.

Taiwan, Belgium To Discuss Direct Flights

*OW2012005091 Taipei CNA in English 1445 GMT
19 Dec 91*

[Text] Brussels, Dec. 18 (CNA)—The Republic of China and Belgium will begin aviation rights talks in Brussels later this week.

A delegation of aviation experts from the Republic of China, headed by Yuan Hsieng-yuen, director general of the Civil Aeronautics Administration, arrived in Brussels Wednesday.

The talks, aiming to open direct flights between Taipei and Brussels, were initiated by the Belgian national flag-carrier Sabena last year in a move to expand its global air flight network.

Sabena is now in the process of a reform program to cope with stiff competition from the other international airlines.

Taiwan Said Less 'Vulnerable' to U.S. Recession

*OW2012085091 Taipei CNA in English 0759 GMT
20 Dec 91*

[Text] Taipei, Dec. 20 (CNA)—The Republic of China [ROC] is no longer so vulnerable to an economic recession in the United States, a highly placed Council for Economic Planning and Development (CEPD) official said Thursday.

"Taiwan's economy has performed fairly well this year even though America has remained mired in recession," noted Li Kao-tsao, director of CEPD's Economic Research Department.

Thanks to the government's market diversification efforts, Li said, the ratio of U.S.-bound shipments to total ROC exports has declined from a peak of 49 percent in the mid-1980s to below 30 percent today.

Moreover, Li reported that domestic demand has gradually replaced overseas sales as the driving force behind Taiwan's economic development. Domestic demand has absorbed 92.98 percent of the country's gross national product (GNP) this year, the highest level since 1983. The ratio of domestic demand to Taiwan's GNP is expected to expand further to 94.2 percent next year.

"The continuing expansion in domestic demand will gradually free Taiwan from a global economic slowdown," Li observed. "We will no longer catch a cold when the United States has the sniffles."

Li pointed out that the faltering US economy is very likely to plunge into a much-feared "double dip" and may take a long time to regain its full steam.

As America remains Taiwan's largest export outlet, Li said, the island's economic growth may still be affected by the ailing US economy.

"In order to minimize the impact," Li said, "we must speed the implementation of our multibillion-dollar six-year National Development Plan in order to stimulate domestic demand and to bolster our economic growth."

The government has set a 7 percent economic growth target for the next five years.

Ministry Confident on 'Strong' South African Ties

*OW2012084391 Taipei CNA in English 0745 GMT
20 Dec 91*

[Text] Taipei, Dec. 20 (CNA)—The Republic of China's relations with South Africa will remain strong even though Peking and Pretoria have plans to exchange non-governmental offices, Foreign Ministry officials said Thursday.

A Communist China spokesman said Thursday that Peking and Pretoria will set up research institutes in each other's country to promote exchanges.

Foreign Ministry officials said that Peking has a political ax to grind in setting up an institute in Pretoria, but they are confident that ties between Taipei and Pretoria will remain strong.

The ministry officials here noted that when President Frederik de Klerk visited here last month, he made it clear that as long as he is in office, he will not consider establishing formal relations with Communist China.

The officials added that two-way trade between Taipei and Pretoria totaled two billion U.S. dollars in 1990, ten times that between Peking and Pretoria.

Career Diplomat Named Envoy to Solomon, Nauru
*OW2012084491 Taipei CNA in English 0747 GMT
20 Dec 91*

[Text] Taipei, Dec. 20 (CNA)—The Executive Yuan Thursday appointed Chao Hsing-chung, a career diplomat, to replace Chang Shih-cheng as Republic of China ambassador to the Solomon Islands and Nauru.

Chao, 69, a native of Kiangsi Province, has served in such foreign posts as consul in Johannesburg; counselor in Iran, Australia, and Saudi Arabia; and representative to Malaysia and Papua New Guinea.

Hong Kong

Article Criticizes U.S. Envoy for 'Overstepping'

HK1912032191 Hong Kong TA KUNG PAO
in Chinese 19 Dec 91 p 11

["Behind the News" column by Li Yi-ming (2621 2496 2494): "Williams Also Adopts the Fad of 'Overstepping'"]

[Text] Williams, U.S. consul general to Hong Kong, made a speech to the Asian Society on 12 December in New York, and brazenly, his speech title was "Prepare for 1997: The U.S. Hong Kong Policy." The extent to which the contents of his speech intervened in Hong Kong's affairs surpassed any speeches made by U.S. officials in the past.

Of course, Williams also mentioned his support for the "Joint Declaration" by China and Britain concerning Hong Kong, but in his speech, he actually viewed Hong Kong as an independent entity when talking about relevant U.S. policy, and ignored the fact that the "Joint Declaration" is a bilateral agreement between China and Britain, as well as the fact that the reversion of Hong Kong to China and the founding of the special administrative region is a matter completely between China and Britain. For example, a paragraph in his speech said: "We are extensively examining the bilateral arrangements we need to maintain with Hong Kong, and are beginning discussions with the Hong Kong Government to reach bilateral agreements in the areas of civil aviation, extradition, and investment protection." His speech even criticized Hong Kong for "excessively protecting local airlines," saying that that was the reason for the slow progress in the Hong Kong-U.S. civil aviation talks. However, we all know that issues such as civil aviation, extradition, and investment protection are for the Sino-British Joint Liaison Group (JLG) to discuss and handle, and any agreements in these areas must be agreed upon and decided by China and Britain. In his speech, Williams never said a word about the role of the JLG in this regard.

Although Hong Kong newspapers reported yesterday that U.S. President Bush will veto the "1991 U.S.-Hong Kong Policy Bill," which was proposed by Senator McConnell, Williams openly said in his speech: "Although the (Bush) administration has yet to complete a thorough assessment of the bill, the broad goal of the bill is obviously in line with the government, and those of us who work in the executive branch welcome the congressional interest in Hong Kong's people and affairs expressed by Senator McConnell and Congressman Porter." McConnell's bill involves Hong Kong's internal affairs, such as the political system and human rights, and is aimed at creating a basis for the United States to interfere in Hong Kong in the future, and Williams was the first one to express support for it.

In his speech, Williams said complacently that, of the 18 candidates elected in the direction elections for Hong Kong's Legislative Council in September, seven have been invited by his government to visit the United States, adding that "this promotes democracy and mutual relations." His speech was not confined to choosing a model political system for Hong Kong, but also tried to directly pick political figures. Can it be true that those who have not been invited to visit the United States are not pro-democracy people? Recently, Hong Kong's television and film industry tried to "trespass" and "overstep." As a U.S. diplomat, was Williams also trying to adopt this fad when making his speech?

Quite coincidentally, a day after Williams made his speech, CPC General Secretary Jiang Zemin met a delegation of Hong Kong's CHING CHI TAO PAO in Beijing, and said that maintaining Hong Kong's prosperity and stability is a matter between China and Britain, and "we do not let third parties intervene." People can imagine that among these third parties, the United States is first.

Lu Ping Plans To Visit, Meet Governor Wilson

HK2012102391 Hong Kong AFP in English 1002 GMT
20 Dec 91

[Text] Hong Kong, Dec 20 (AFP)—Lu Ping, a senior Chinese official in charge of Hong Kong affairs, is to visit here next month amid calls by local legislators for a committee to monitor government affairs, a government spokesman said Friday.

Lu, director of the Hong Kong and Macao Affairs Office of the Chinese State Council, is expected here January 6 for a two-day visit at the invitation of the Governor Sir David Wilson.

Wilson said he would discuss "developments in Hong Kong of all sorts and to raise matters of interests to us here" with Lu during the visit to the territory, adding that there was no definite agenda yet.

His visit comes at a time when the Legislative Council is seeking to set up a standing committee to monitor the government's policies and finances.

China has objected to the plan saying it would not allow any changes to the current political structure in the British colony which is to revert to Chinese rule in 1997.

Under the present setup the government is only required to consult the council on major policies which may then be amended but are rarely scrapped.

The planned committee would have the power to turn down government proposals.

Government 'Standing Firm' on Nov Confrontation
*HK1912021891 Hong Kong SOUTH CHINA
MORNING POST in English 19 Dec 91 pp 1, 7*

[By Jennifer Cooke]

[Text] The Hong Kong Government is standing firm on its version of the armed confrontation at Nim Wan last month in the face of denials by China this week that automatic weapons had been pointed at Marine Police during an anti-smuggling operation.

Both the acting Secretary for Security, Mr. Lan Strachan, and a government spokesman said yesterday that the facts about the incident—according to the Hong Kong Government—had already been stated and there was nothing to add.

Mr Strachan, denying there had been any misunderstanding or lack of communication between the two sides, said the Government would discuss the matter further with the New China News Agency [XINHUA].

An unnamed Guangdong official was quoted in the pro-Chinese press yesterday as saying that both sides had intruded into each other's territorial waters and that "any irresponsible accusations will not be beneficial to mutual co-operation" in the fight against smuggling across the common border.

Late yesterday afternoon, a government spokesman confirmed that mainland authorities had responded through the official news agency on Monday to Hong Kong inquiries concerning the incident which took place between Nim Wan and Shekou on November 19.

"There remain differences between the two sides' understanding of what happened," he said.

"The facts as we know them had been stated in the Legislative Council by the Secretary for Security (Mr Alistair Asprey) on December 4. That remains our position.

The spokesman said "the important thing" was that both sides should further develop co-operation against smuggling and take measures to ensure that dangerous incidents did not occur.

"We are glad the Chinese authorities wish to strengthen their co-operation with us," he said.

Commenting on China's account of the event, Legislative Councillor Miss Emily Lau Wai-hing said she would seek clarification from the Government through Omelco's [Office of the Members of the Executive and Legislative Councils] security panel.

"The Chinese version of the incident apparently differs from what we have been told by the Government. Who then can we trust?" she said.

The convenor of the Omelco security panel, Mrs. Rita Fan Hsu Lai-tai, said the Government was considering a

request for sophisticated cameras capable of taking photographs in rough seas or darkness to be fitted to every police launch.

"Without hard evidence it was impossible to prove what happened at Nim Wan," she said.

"We were told it (the camera scheme) would be extremely expensive. Financially, it would not be viable but nevertheless the Government said it would consider it," she said.

In an incident, off Castle Peak on May 3 last year, police photographs from different angles were used by each side to back their versions of events.

A spokesman for the Joint Liaison Group denied yesterday that the constitution of the marine border—set late last century—had been an issue or topic of discussion.

All of Deep Bay, including the Chinese coast around Shekou—technically up to the high water mark—is Hong Kong territory.

However, the normal practice is that Marine Police do not approach within one mile of the Chinese coast, unless there is a pressing reason.

A police spokesman said the force agreed with the Government's statement yesterday.

According to Mr. Asprey's version of events, three police vessels and land-based police were involved in an anti-smuggling operation at the Ash Lagoon at Nim Wan in Deep Bay.

A wooden vessel, with two crew, one of whom was a man in uniform carrying a Type 56 rifle, was seen to leave the Ash Lagoon about 10.30 pm.

When police tried to intercept it, a sampan interposed itself between the wooden boat and the police. All three crew on the sampan "were wearing green uniforms, two with gold stripes on the sleeves".

"One pointed a Type 56 rifle at the police. Another pointed a pistol," Mr Asprey said.

He added that the sampan and the wooden vessel headed towards Shekou with police in pursuit.

However, at this point a white speedboat with a red stripe appeared carrying four crew—all in uniform—three of whom carried Type 56 rifles "which they pointed at the police".

The three boats then passed into Chinese waters and were seen to dock at the Shekou hydrofoil pier at about 10.40 pm, Mr. Asprey said.

Guangdong security officials, quoted anonymously in the Wen Wei Po, Ta Kung Pao, and Hong Kong Commercial Daily newspapers, yesterday denied that any guns had been pointed and said their final report, after a detailed investigation "differed significantly" with that of Hong Kong.

Although highlighted in Mr. Asprey's account, no sampan was mentioned in the Chinese version.

According to Wen Wei Po's report, Shekou's border security officials learned on the night of November 19 that a wooden boat smuggling video cameras into Bo'an province would leave from Hong Kong.

A senior police officer, with four other uniformed officers and two others in plain clothes, set out in two separate vessels at about 7 pm to lay an ambush on the northwest side of a green buoy situated along a well-used navigational channel about midway between Shekou and Nim Wan.

One of the vessels, which was not numbered, was blue and powered by twin 150-horsepower engines. The other, numbered 808, was brown and powered by engines with 600 horsepower.

Each boat was equipped with one Type 56 sub-machine gun and a pistol.

As the wooden vessel approached the navigational route, the two Chinese boats prepared to raid it by attempting to block it front and back.

One of the Chinese vessels, in this manoeuvre, strayed 300 metres over the southeast side of the navigational route towards Nim Wan.

When the second Chinese boat drew near the wooden vessel, it found three illuminated Hong Kong police inflatable rubber boats—used by the Small Boat Unit—pursuing the smuggling boat from about 100 metres away while intermittently launching flares at it.

The wooden vessel continued towards Shekou with both sides in pursuit. The Hong Kong boats strayed 1,000 metres over the navigational route but turned back about 10 minutes later after the Chinese sent "light signals" that they should withdraw.

Unlike Mr. Asprey's version, which was that the vessel was taken to the hydrofoil pier, the Chinese official said the vessel was stopped near the cargo pier, and taken to the aquatic products pier at Shekou.

Three residents of Bo'an province were found on board but no smuggled goods were found and they were released, the report said.

The unnamed official emphasised that neither of the sub-machine guns had left the chests of the officers holding them, nor had pistols been withdrawn from the waist holsters of those carrying them.

Due to the motion of the boat, the officers had tried to hold the body or the handle of the guns to prevent them bumping against their chests, but this was normal in sea operations, the official was quoted as saying.

Despite this, several days later Hong Kong had described the events as "an incident" involving "crossborder threat at gunpoint".

The official questioned the intent behind Hong Kong officials "causing controversy" and asked for proof of Hong Kong claims that Guangdong security officials had collaborated with smugglers.

Macao

Mainland To 'Study' Funding Airport Project

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[By Harald Bruning]

[Text] China is prepared to "study" any request from Macao to draw money from its special administration region (SAR) reserve fund for the 6.5 billion patacas airport project, head of the Chinese delegation to the six-member Sino-Portuguese Land Group, Xie Houhe, said yesterday.

Mr Xie said the reserve fund—which comes from 50 percent of the income from land concessions granted by the Macao Government during the run up to the transition in 1999—could be used to finance land development projects during the transition period.

But Mr Xie said the Macao government had not yet made such a request.

The reserve fund from land concession income as of the beginning of this month stood at 780 million patacas.

In accordance with Annex II of the Sino-Portuguese Joint Declaration "the reserve fund may be used by the Portuguese Government of Macao for land development and public works during the transition period with the endorsement of the Chinese side".

A spokesman for the Macao Government Information Services said he could not comment on the statement by Mr Xie "because it has only been reported through the media".

However, government sources welcomed the statement because they said it showed China not only supported the airport project politically but was also prepared to give it direct financial backing through the Macao Special Administrative Region reserve fund.

A pro-Beijing community leader said China's direct financial support for the airport project was "the only way to get it out of its current funding problems".

He also said it was a "good idea" to use part of the SAR's reserve fund "because the airport will be used for many years to come by Macao after the transfer of administration in 1999".

According to Macao Airport Franchise chairman Professor Diego Pinto, the company needs to take up a 3.2 billion patacas bank loan with 2.2 billion patacas raised from equity.

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